

Annual 2022 report



Kooperativa
VIENNA INSURANCE GROUP

Pro život, jaký je

Kooperativa 2022 in figures*

CZK 47,60 billion in written premiums

2.48 million clients

4.72 million insurance policies

711.25 thousands of resolved insurance claims

CZK 27.90 billion claims paid

24.75% market share*

*According to the Czech Accounting Standards

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Introduction to the 2022 Annual Report

In 2022, several events happened that affected the whole world. The optimistic outlook associated with the waning effects of the COVID-19 pandemic was disrupted first by rocketing prices from the second half of 2021 and then by Russia's military aggression in Ukraine in February 2022.

Even in this uncertain and turbulent environment, the Czech insurance market once again proved its stability and grew year-on-year. Written premiums reached CZK 157.37 billion in 2022. This is a year-on-year increase of 7.01%. Non-life insurance contributed the most to the positive development, however, life insurance is also strengthening. The strongest growth remains in business insurance, but this is still related to the lower comparative base of the previous year still affected by the COVID-19 pandemic. Kooperativa also performed very well. According to the methodology of the Czech Insurance Association, it achieved almost 10% year-on-year growth. Especially pleasing is the market share growth of more than half a percent. In terms of products, the great success of the new FLEXI life insurance in 2022 should certainly be mentioned, as it is still by a wide margin the best-known insurance product in the Czech Republic. Let us add that at the end of 2022, Kooperativa had 4,042 employees and managed 4.72 million insurance contracts for 248 million clients.

What is certain is that insurance as a service protecting clients from the consequences of a number of unpleasant, distressing and unexpected events is still functioning, the interest of clients is persistent and Kooperativa has been proving its important role in the stability of the lives of individuals, families,

companies and institutions for 31 years through its robustness, stability and fulfilment of obligations. And the role of insurance in difficult times is growing. People are rational and risk-conscious. And when deciding which expenses are important, which are necessary and which are less so, they - according to the market and Kooperativa's results - do not forget about insurance. And we in the insurance companies, especially in 2023, must be a partner to try to find solutions with them.

I am convinced that together with our business partners and clients, Kooperativa will overcome any difficulties in 2023, as it has been true for every year of our existence, namely the years of massive floods, tornadoes and other difficult periods. After all, we are entering this period in very good economic shape after a successful year in 2022, and for this we owe a great deal of thanks to our employees and our business partners.

The Most Significant Awards Received in 2022



TREND – the best product of twenty years
FLEXI – the best product of twenty years
1st place – Non-life Insurance - Autopojištění NAMÍRU
1st place – Life Insurance
2nd place – Entrepreneur's Insurance - TREND
3rd place – Entrepreneur's Insurance – Liability Insurance in Commercial Risk Insurance



THE BEST PERSON OF INSURANCE MARKET – Martin Diviš
1st place – Industry and Entrepreneur's Insurance
1st place – Life Insurance
2nd place – Private Insurance
2nd place – Car Insurance



1st place – The Best Life Insurance Company



1st place – Insurance company of the Year
1st place – Insurance company without barriers
2nd place – The Most Responsible Insurance Company

Board of Directors as of March 1, 2023

NAME	POSITION
Ing. Martin Diviš, MBA	Chairman
Mgr. Filip Král	Member
Ing. Jaroslav Kulháněk	Member
Mgr. Martin Laur	Member
Mag. Christoph Rath	Member
Jiří Sýkora	Member
Ing. Eva Poláchová	Member

Supervisory Board as of March 1, 2023

NAME	POSITION
Prof. Elisabeth Stadler	Chairwoman
Ing. Vladimír Mráz	Vice-Chairman
Ing. Soňa van Deelenová	Member
Ing. Vladimír Dlouhý, CSc.	Member
JUDr. Hana Macháčová	Member
Dr. Ing. Vratislav Kulháněk	Member
Mag. Gerhard Lahner	Member
Mag. Harald Josef Londer	Member
Dkfm. Karl Fink	Member
Hartwig Löger	Member
Jan Wiesner	Member
Ing. Roman Brablec	Member
Ing. Tomáš Salomon	Member
Mgr. Šárka Brůnová	Member
Ing. Daniel Pražan, MBA	Member
Ing. Radmila Dočekalová	Member
Jan Růžička	Member
Ing. Irena Rohlová, MBA	Member

Audit Committee as of March 1, 2023

NAME	POSITION
Ing. Vladimír Mráz	Chairman
prof. Elisabeth Stadlerová	Vice-Chairwoman
Ing. František Dostálek	Member

Management Report

Evaluation of 2022

The year 2022 brought several events that affected the whole world. The optimistic outlook associated with the waning effects of the COVID-19 pandemic was disrupted first by skyrocketing energy and other commodity prices from the second half of 2021 and then by Russia's military aggression in Ukraine in February 2022. The high dependence of European countries on Russian natural gas and oil supplies has left the whole of Europe economically and energetically paralysed. Uncertainty about future developments in 2022 has rapidly increased fuel and electricity prices. High energy prices have also been reflected in the prices of other goods and services and have influenced further increases in inflation. The Czech National Bank (CNB) also responded to the rise in the inflation rate during the year by raising interest rates. The decline in the real value of money and the associated uncertainty about future price developments were reflected in slowing economic growth.

The Czech insurance market once again proved its stability and grew despite this unfavourable economic development. The written premiums adjusted by the Czech Insurance Association (ČAP) methodology reached CZK 157.37 billion in 2022. This is a year-on-year increase of 7.01%. Non-life insurance contributed the most to the positive development, however, life insurance is also strengthening. The most significant growth remains in business insurance, but this is still related to the lower comparative base of the previous year still affected by the COVID-19 pandemic.

Kooperativa also did very well. According to the ČAP methodology, Kooperativa's written premiums reached CZK 37.19 billion, which represented an increase of 9.65%. According to the ČAP methodology, Kooperativa grew faster than the market, which recorded a 7.01% year-on-year increase. The financial part of the annual report shows results according to Czech Accounting Standards (CAS), therefore the following figures are based on this methodology. Total written premiums according to CAS for 2022 were CZK 47.60 billion, an 8.69% increase compared to 2021. With a market share of 24.75%, it was then the second insurance company in the Czech insurance market. At the end of 2022, Kooperativa had 4,042 employees and administered 4.72 million insurance contracts for 2.48 million clients. At the same time, Kooperativa handled over 711 thousand insurance claims in 2022 and paid out CZK 27.90 billion to clients. This means that every working day, on average, claims handlers processed over 2,800 insurance claims and paid out over CZK 100 million to clients.

In the non-life insurance sector, Kooperativa wrote premiums totalling CZK 32.08 billion, which meant a year-on-year increase of almost 11%. It therefore grew slightly slower than the market, which showed a year-on-year increase of 13%. The most successful products in this area were accident insurance, which grew by 11.9%, and property and liability insurance, with a growth of 8.5%, and compulsory liability insurance, where Kooperativa grew by 7.8%.

An interesting increase of 4.22% was recorded by Kooperativa in life insurance, where total written premiums reached CZK 15.52 billion. The life insurance market grew by 5.11%, yet Kooperativa remained the largest Czech life insurer with a market share of 24.81%.

Kooperativa's products also belong to the top of the Czech market. In addition to the interest of clients, this is also proven by the results in professional awards. For example, TREND business insurance became the product of the decade in the Zlatá koruna award. Last year Kooperativa prepared a new version of the popular FLEXI life insurance, which also became the product of the decade. It brings simplicity, clarity, transparency and a number of benefits for responsible and loyal clients. For example, up to 30% discount on the risk premium for comprehensive insurance of serious illness, disability, permanent consequences of illness or death or waiver of all administrative fees for a monthly premium of CZK 1,000. A unique part of FLEXI is the Path to Health bonus, which brings up to CZK 100,000 for recovery from very serious illnesses and accidents. The client can use it for medical aids, spa, nursing care, as well as for example for car or home modifications. FLEXI retains its traditional flexibility, the client has the option to change the policy at any time during its term, free of charge. Clients with older types of Kooperativa life insurance policies can take advantage of the Renovation Programme offer and convert their contract to a new FLEXI. Thanks to this programme, it is not necessary to negotiate a new contract.

Kooperativa has also prepared an interesting offer in motor insurance. Clients have been able to arrange compulsory liability and accident insurance online for several years. However, the motor hull insurance or some additional insurance to compulsory liability insurance also includes the obligation of an initial car inspection. That is why Kooperativa has prepared the possibility to take a photo of the vehicle with your mobile phone in the comfort of your home, via a simple web interface. Last year, Kooperativa improved the web interface and deployed artificial intelligence to check the quality of the photos sent. This has significantly reduced the error rate of the documents sent.

Kooperativa has prepared a new product for the insurance of veteran classic cars in 2022, classic car insurance. This includes special MEZIPLYN and NAPLNO packages, which allow the veteran to be constantly under surveillance thanks to a telematics unit. The telematics unit is linked to a mobile application on a smartphone, so the client can monitor the location of the vehicle online or receive an alert in the event of an attempted theft. It also provides an automatic call for assistance in the event of an accident or the possibility of keeping a logbook.

At the same time, Kooperativa is trying to speed up the process of handling insurance claims. During the inspection of insurance claims, technicians use a unique application for tablets and smartphones, which processes data about the vehicle, allows to take a photo documentation of the damage including the necessary description and also calculates the amount of the insurance benefit. Thus, Kooperativa is on a successful journey towards a digital society, from electronic contract negotiation and communication with clients to the settlement of insurance claims.

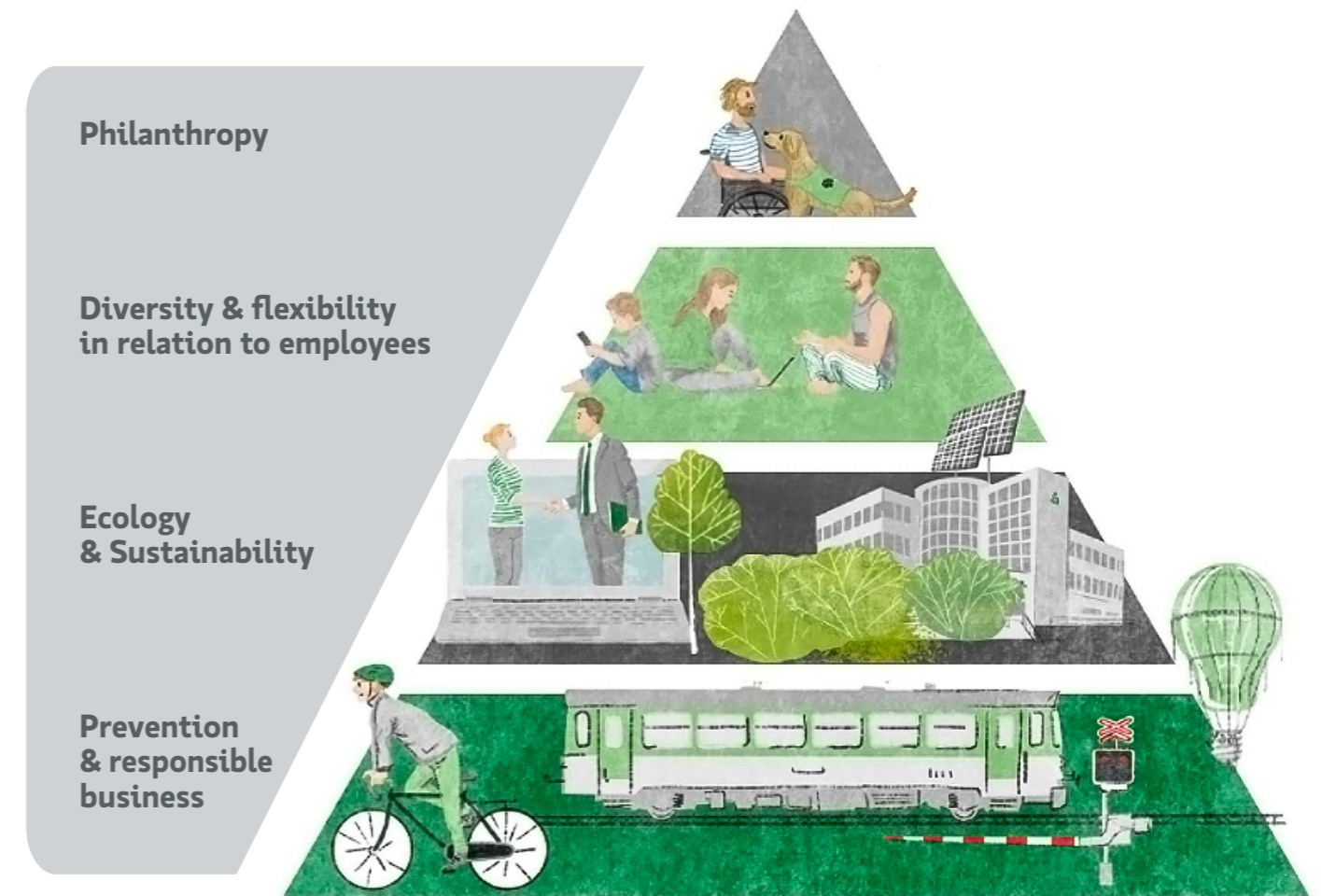
For 2023, Kooperativa is preparing the modernisation of property insurance of persons and liability insurance. It will bring new and significantly enhanced free assistance services, and in property insurance Kooperativa will increase or completely abolish most of the limits of benefits. A unique novelty is the Ecological Benefit. It guarantees payment of benefits beyond the insured amount if the damage exceeds 75% of the insured amount of the affected family house, holiday home or apartment unit. In addition, the client will receive funds for the ecological modernization of the affected building in the amount of 5% of the sum insured. Another new feature will be the use of a telematics unit in the motor insurance product. Also, a special product for electric vehicles or a new fleet insurance are being developed.

Subsequent events

As at the date of the annual report, management is not aware of any significant subsequent events that would require an adjustment to the Company's annual report.

Social responsibility

The principles of the insurance industry are based on solidarity, responsibility for the environment in which we live, as well as help and trust. We see social responsibility as a business model - our goal is to combine Kooperativa's interests with activities that benefit society as a whole. Kooperativa's CSR strategy is based on the pillars of prevention and responsible business, ecology and sustainability, diversity and flexibility in relation to employees, as well as philanthropy, which we focus on both through the Kooperativa Foundation and by involving our employees. Detailed activities are clearly described in the separate Corporate Responsibility and Sustainability Report 2022, issued as of 30 June.



Prevention and responsible business

Preventing unfortunate events is a priority for us.

We are a leader in traffic safety and we are committed to the principles of VIZE O, i.e. zero deaths and serious injuries on Czech roads through the VIZE O Platform, a non-profit and apolitical platform that we established in 2018. Our partners are public authorities, universities or associations, as well as large corporations with a direct influence on road safety. Fundamental for us are the topics of young driver education, elimination of risky sections, road behaviour and aggression or new technologies (e.g. telematics, electromobility, etc.). In education we target the most vulnerable groups - especially young drivers, children, motorcyclists, cyclists and the elderly.

In 2022, we launched the Prevention Programme for Resilient Landscapes. The programme helps small communities insured by Kooperativa that have problems with recurrent flooding to effectively retain water in the landscape. In cooperation with partners, we will guide the municipality through the entire process of landscape changes: from creating a feasibility study, which we will pay for, to obtaining a subsidy, to implementing water retention measures in the landscape - draws, meanders, grassed strips, etc.). The outcome of the cooperation between Kooperativa and the municipality in the Prevention Programme is an advantage for the existing insurance - increased insurance cover, increased limits, etc.

In the area of prevention, we are also working with the AlzheimerChain Foundation, which developed the Terrapino app in 2022. Its aim is to identify Alzheimer's disease early and prevent the outbreak of the disease.

We always try to achieve systemic change, for example in the form of a change in legislation, a change in the education system or a change in public attitudes.

Ecology and sustainability

Although we are not a manufacturing company, we strive to eliminate the environmental impact of our operations and increase operational efficiency. Our goal is to sustainably reduce our carbon footprint and prevent waste. Through widespread digitisation, we continuously reduce paper consumption. Discarded IT equipment is given a second life by being bought back by our employees or donated to charity. In 2022, we donated 28 laptops to the non-profit organisation People in Need. Unusable technology is then handed over to REMA, which provides subsequent recycling, just as Remobil does for unwanted mobile phones. We collected 609 of these. By using these systems, the materials from these devices are put back into circulation and natural resources are saved. From May to September, our employees in selected cities had the opportunity to strengthen their fitness by using eco-friendly cycling with REKOLA. We reinforce the awareness of sustainability and ecology among our employees by regularly educating them.

In accordance with EU Regulation 2019/2088, we publish information regarding sustainability in the financial services sector.

Diversity and flexibility in relation to employees

We believe that employee diversity brings room for innovation and understanding, which is why we strive to live up to the principles of diversity and inclusion. We respect equal opportunities and the individual needs of employees regardless of age, gender, health or family situation. We are constantly looking for ways to enable all employees to balance their professional and private lives, whether through working from home, flexible forms of work or the possibility of taking additional time off beyond vacation. We strive to be as fair and accommodating as possible to different groups of employees, taking into account their needs and expectations, whether they are school leavers, single parents, colleagues with disabilities, retiring seniors or parents on parental and maternity leave, etc. We take care of the health, personal and professional development of all employees by offering a wide range of benefits and internal or external training. As 2022 has shown how necessary it is to help others, we have focused especially on involving employees in volunteer activities, financial and material collections, but also on how to take care of their mental health in difficult times. Several seminars have been held for employees and a corporate psychologist has been working at Kooperativa for a long time.

Philanthropy

The philanthropic activities are covered by the Kooperativa Foundation, whose founder is the insurance company Kooperativa. The Foundation supports its partners in the long term so that they can find the necessary security in us and focus on their mission. We support sustainable projects that promote society-wide systemic change and work together on the basis of professional partnerships. We focus on prevention, particularly in the areas of mental health, disability and the elderly. Employees are an important part of our work and are actively involved in all areas.

The year 2022 confirmed the urgency of addressing mental health for society as a whole, but especially for children and young people. Together with Nevypušt duši (Don't Let Your Soul Out) organization, we bring prevention to mental health care and we are not afraid to talk about mental health. We continue to support the dignified life of people with disabilities, together with our partners Asistence, Czech Association of Paraplegics, Síla hlasu (The Power of Voice) and Pomocné Tlapky (Helping Paws). The Assist Fifth Grade pilot project highlights the inadequacy of the care system, which is only enough for 5 hours of assistance per day - we paid 5 Assist clients for as many hours of assistance as they needed and monitored the impact on their lives. We will use this data to advocate for a fifth personalised level of care allowance. Every year we put out grant calls. However, in 2022, due to the situation in Ukraine, we supported the Via Foundation's grant competition „From Ukraine among us“. The grant competition was intended for local initiatives that help in the integration of new neighbours. In total, 139 projects were supported from May to October for a total amount of CZK 4,701,473,-. The most frequent focus of the implementers was on education, leisure and neighbourhood events. Helping Ukraine has been a big issue for all of us. We held a fundraiser among our staff, and we housed over 100 refugees from Ukraine in our facilities. We organized Czech classes for mothers and children at the headquarters, painting classes and babysitting. We helped with finding jobs and getting involved in the community. Together with the Assistance, we organized a Social Worker Retraining Course. Our staff became mentors to Ukrainian families and helped them integrate into mainstream life.

Employees are an important part of the Foundation's work, setting up donation campaigns, actively participating in volunteer days and making Christmas wishes for non-profit organizations. In support of Ukraine, employees sent nearly CZK 3,000,000 to our fundraising efforts.

We are open to the outside world, the public can visit our Gallery in Karlín for free at any time and taste delicious coffee in the Mezi řádky café, which employs people with disabilities.

Part of Vienna Insurance Group Company Portrait

” We are the leading insurance group in Central and Eastern Europe with the claim to be a stable and reliable partner for our target groups. “

Elisabeth Stadler, CEO of Vienna Insurance Group

Vienna Insurance Group (VIG), headquartered in Vienna, is the leading insurance group throughout Central and Eastern Europe (CEE). Around 50 insurance companies in 30 countries form a Group with a long-standing tradition, strong brands and close customer relations. The more than 25,000 employees in the VIG take care of the day-to-day needs of more than 22 million customers..

From First Mover to Market Leader in CEE

VIG was one of the first European insurance groups to begin expanding into the markets of the CEE region after the fall of the Iron Curtain in 1989. Step by step, the Group established itself in new markets and has become the number one in the region. Vienna Insurance Group places an emphasis on Central and Eastern Europe as its home market and pursues a long-term strategy in the markets where it is represented. More than half of the total business volume and profit is generated in this region.

” We pursue a long-term business strategy in our markets that is focused on sustainable profitability and continuous earnings growth. “

Elisabeth Stadler, CEO of Vienna Insurance Group

Expertise with Local Responsibility

Vienna Insurance Group is synonymous with stability and expertise in providing its customers with financial protection against risks. Great importance is attached to a local multi-brand policy with regionally established brands and local entrepreneurship. Ultimately, the Group's success and closeness to its customers is down to the individual strengths of each brand and local know-how.

Strong Finances & Credit Rating

Vienna Insurance Group has been awarded an A+ rating with a stable outlook from the internationally recognised rating agency Standard & Poor's. VIG is listed in Vienna, Prague and Budapest. Wiener Städtische Versicherungsverein – a stable core shareholder with a long-term focus – owns around 70% of VIG's shares. The remaining shares are in free float.



WE ARE **NUMBER 1** IN CENTRAL AND EASTERN EUROPE.





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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of Kooperativa pojišťovna, a.s., Vienna Insurance Group

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kooperativa pojišťovna, a.s., Vienna Insurance Group ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2022, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Česká republika Audit, s.r.o. is a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Recorded in the Commercial Register kept by the Municipal Court in Prague, Section C, Insert No. 24185.

Identification No. 49619187
VAT No. C2699001996
ID data box: 8h3gtra



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of life insurance contract liabilities

As at 31 December 2022, provision for liabilities arising from the applied technical interest rate: MCZK 1 393.

Refer to additional information disclosed in Note I.4. (m) and Note II.9. (d) of the financial statements.

Key audit matter	How the audit matter was addressed
<p>Life insurance contracts liabilities represent significant liability items in the statement of financial position. Measurement thereof is associated with significant estimation uncertainty as it requires management board to exercise judgment and develop complex and subjective assumptions. These assumptions are used as inputs into the valuation model that uses standard actuarial methods.</p> <p>At each reporting date, the Company is also required to perform a liability adequacy test (hereinafter, "LAT") with an aim to determine whether its recognized life insurance contract liabilities are adequate. The test is based on the comparison of the management's current estimates of the present value of future cash flows arising from the in-force insurance contracts with the stated amounts of life insurance contracts liabilities. In case the LAT shows that the amounts of the recognized liabilities are insufficient in light of the estimated future cash flows, the entire deficiency is recognized as a provision for liabilities arising from the applied technical interest rate in correspondence with a profit or loss.</p> <p>Relatively insignificant changes in the assumptions applied by the Company can have a material effect on the amount of liabilities arising from the applied technical interest rate. The assumptions that we consider as those with most</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things:</p> <ul style="list-style-type: none"> – We critically assessed the method and models applied by the Company against current industry practice and relevant regulatory and financial reporting requirements. – We tested the design and implementation of selected controls within the Company's process for setting actuarial assumptions and other input data for actuarial models. – We assessed the relevance and reliability of key input data used in the LAT model. As part of our procedures, we traced significant data elements to the Company's records and experience analysis. – We assessed the results of the Company's experience studies ('back-testing'), and used those historical results, as well as market data, to challenge the key assumptions used in the LAT test, such as, among others: <ul style="list-style-type: none"> (i) policyholders' life expectancy, (ii) morbidity and mortality rates, (iii) policy lapse rates, (iv) expenses, and (v) discount rates.



<p>significant impact are the ones for discount rates used, policyholders' life expectancy, morbidity and mortality rates, policy lapse rates and expenses.</p> <p>For the above reasons, we considered this area to be associated with a significant estimation uncertainty and a significant risk of material misstatement, which required our increased attention in the audit. As such we considered it to be a key audit matter.</p>	<ul style="list-style-type: none"> – We performed a retrospective assessment of the Company's ability to produce accurate liability adequacy test estimates by comparing the predictions of the previous year's model with the current year's actual outcomes. – We assessed the appropriateness of the Company's disclosures regarding provision for liabilities arising from the applied technical interest rate against the requirements of the relevant financial reporting standards.
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Measurement of accumulated debt (life insurance)

As at 31 December 2022, Accumulated debt in life insurance: MCZK 2 391.

Refer to additional information disclosed in Note I.4. (g) and Note II.7. of the financial statements.

Key audit matter	How the audit matter was addressed
<p>The Company recognizes accumulated debt in life insurance within Other temporary assets. As described in Note I.4.(g), the accumulated debt balances are associated with the Company's unit linked insurance products. We designated the area as a key audit matter as management is required to make subjective and complex assumptions and judgments in measuring the amount of any such accumulated debt. Relatively insignificant changes in the assumptions applied in the process can have a material effect on the amount of accumulated debt as at the reporting date.</p> <p>The accumulated debt in life insurance is measured using the prospective method, where negative account balances on client accounts are multiplied by the capitalization percentage parameter. The assumptions that we consider as those with most significant impact on the estimate are the ones for lapse rates,</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things:</p> <ul style="list-style-type: none"> – We critically assessed the method and model applied by the Company against current industry practice and relevant regulatory and financial reporting requirements. – We tested the design and implementation of selected controls within the Company's process for setting actuarial assumptions and other input data for actuarial models. – We assessed the relevance and reliability of data applied in the measurement of accumulated debt, including tracing total amount of negative balances on clients' accounts to the Company's technical database. – We challenged the key assumptions used in the measurement of accumulated debt, such as, among other things, expected lapse rate of



<p>claim frequency and expenses, among other things.</p> <p>Relevance and reliability of data used in the Company's actuarial calculations were also our area of focus.</p> <p>Addressing the above complexities required our increased attention in the audit, and as such the area represented a key audit matter.</p>	<p>the existing insurance portfolio, claim frequency and related expenses by reference to the Company's experience studies as well as publicly available market data.</p> <ul style="list-style-type: none"> – We independently estimated the capitalization percentage parameter, by reference to the Company's cash flow projections, which we independently challenged, for a sample of contracts, to underlying source documents (contract terms). – Based on the outcome of the preceding procedures, we independently estimated the amount of accumulated debt as at 31 December 2022 and compared it with the Company's estimate. – We assessed the appropriateness of the Company's accumulated debt-related disclosures in the financial statements against the requirements of the relevant financial reporting standards.
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Measurement of provisions for incurred but not yet reported claims (life and non-life insurance)

As at 31 December 2022, provision for outstanding claims: MCZK 20 754 (including provision for insurance claims incurred but not yet reported in the period (IBNR) of MCZK 5 639 and provision for claims incurred and reported, but not yet settled (RBNS) of MCZK 15 115).

Refer to additional information disclosed in Note I.4. (k) and II.9. (b) of the Company's financial statements.

Key audit matter	How the audit matter was addressed
<p>In measuring the provisions for outstanding claims, particular complexity is associated with the estimate of the amount of the expected ultimate cost of claims incurred but not yet reported ('IBNR'). A range of methods may be used, and in many cases standard actuarial methods need adjustments specific to the circumstances and such adjustments also require the application of significant judgment</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial and information technology (IT) specialists, included the following, among other things:</p> <ul style="list-style-type: none"> – We tested the design and implementation of selected system (IT-based) and manual controls over measurement of the provisions for outstanding claims, including those



For the majority of classes of insurance, the Company uses the chain-ladder method based on the amount of insurance claims incurred. Also, Monte Carlo simulations are applied for large claims and annuities of motor third party liability insurance.

Key inputs in determining the IBNR provision represent data on claims incurred in prior periods, in particular their amount and frequency, as well as market claims data (for IBNR in motor third party liability insurance).

Relatively minor changes in management's assumptions can have a significant effect on the recognized amounts of the claim provisions, including the IBNR provision.

Due to the above factors, we considered measurement of the IBNR provision to be our key audit matter.

over the determination of actuarial assumptions for the IBNR provision.

- In respect of the IBNR provision, with specific consideration of the expected effects of the COVID-19 pandemic and increased inflation rate, we:
 - critically assessed the method and model applied in measuring the amount of the provision against the relevant requirements of the financial reporting standards and market practice.
 - assessed the key inputs and assumptions applied, such as the characteristics of the insurance portfolio used for chain ladder method and expected amount and frequency of future insurance claims including parameters of Monte Carlo simulations, by reference to publicly available market data and the Company's experience studies.
- We analysed significant year-to-year variations in the amount of the provisions and made relevant inquiries of the Company's actuarial experts. We also carried out our own independent recalculations of key elements of the IBNR provisions.
- We evaluated the Company's ability to produce accurate estimates of the IBNR provision, by performing the comparison of the current year's actual experience to previously expected results.
- In addition, we assessed the appropriateness of the Company's disclosures regarding IBNR provisions against the requirements of the relevant financial reporting standards.



Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body, Supervisory Board and Audit Committee for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process. The Audit Committee is responsible for monitoring the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in



our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 26 April 2022 and our uninterrupted engagement has lasted for 10 years.

Consistency with Additional Report to Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 24 March 2023 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

Provision of Non-audit Services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided.

Statutory Auditor Responsible for the Engagement

Ondřej Fikrle is the statutory auditor responsible for the audit of the financial statements of Kooperativa pojišťovna, a.s., Vienna Insurance Group as at 31 December 2022, based on which this independent auditor's report has been prepared.

Prague
24 March 2023

KPMG Česká republika Audit

KPMG Česká republika Audit, s.r.o.
Registration number 71

Ondřej Fikrle
Partner
Registration number 2525

Financial Section

The Financial Statement for
the year ended 31 December 2022

2022

Income statement

Income statement for the year ended 31 December 2022

Description	2022 Gross	2022 Adjustment	2022 Net	2021 Net
I. ASSETS				
B. Intangible fixed assets, thereof	3 398 561	2 621 437	777 124	719 242
C. Investments	66 358 315	1 204 751	65 153 564	69 985 024
I. Land and buildings, thereof	2 420 834	1 204 751	1 216 083	1 365 652
1. Land	210 983		210 983	238 278
2. Buildings	2 209 851	1 204 751	1 005 100	1 127 374
a) Investments - self-occupied	2 015 051	1 144 951	870 100	989 257
II. Investments in affiliated undertakings and participating interests	5 187 402		5 187 402	4 804 119
1. Participating interests with controlling influence	4 806 685		4 806 685	4 372 670
2. Debt securities issued by, and loans and credits to, undertakings - controlling influence	380 717		380 717	431 449
III. Other investments	58 750 079		58 750 079	63 815 253
1. Shares and other variable-yield securities, other participating interests	6 466 312		6 466 312	7 920 057
2. Bonds and other fixed-income securities	46 016 823		46 016 823	53 168 137
a) bonds and other fixed-income securities valued at fair value through profit and loss	14 427 217		14 427 217	16 663 395
b) bonds and other fixed-income securities held to maturity	31 589 606		31 589 606	36 504 742
5. Other loans and credits	2 347 384		2 347 384	3 200
6. Deposits with financial institutions	3 763 774		3 763 774	2 507 856
7. Other investments	155 786		155 786	216 003
D. Investments for the benefit of life assurance policyholders who bear the investment risk	7 988 846		7 988 846	9 578 997
E. Debtors	8 609 341	488 644	8 120 697	6 853 439
I. Receivables arising from direct insurance operations	2 283 178	488 644	1 794 534	1 733 785
1. Policyholders	2 228 254	450 611	1 777 643	1 717 064
2. Intermediaries	54 924	38 033	16 891	16 721
II. Receivables arising from reinsurance operations	21 028		21 028	20 530
III. Other receivables	6 305 135		6 305 135	5 099 124
F. Other assets	2 334 410	868 832	1 465 578	2 997 415
I. Tangible fixed assets other than those listed under "C.I. Land and buildings", and inventories	1 683 451	868 832	814 619	391 498
II. Cash on accounts in financial institutions and cash in hand	650 959		650 959	2 605 917
G. Temporary asset accounts	11 351 742		11 351 742	10 112 290
II. Deferred acquisition costs	7 854 116		7 854 116	5 713 624
a) in life-assurance business	6 341 474		6 341 474	4 297 192
b) in non-life insurance	1 512 642		1 512 642	1 416 432
III. Other temporary asset accounts, thereof	3 497 626		3 497 626	4 398 666
a) Estimated receivables	713 950		713 950	615 181
TOTAL ASSETS	100 041 215	5 183 664	94 857 551	100 246 407

Description	2022 Gross	2022 Adjustment	2022 Net	2021 Net
II. LIABILITIES				
A. Equity			14 395 106	16 965 076
I. Registered capital, thereof		4 302 129		4 302 129
II. Premium		134 039		134 039
IV. Other capital funds		-1 660 827		155 440
V. Reserve fund and other funds from profit		154 448		136 436
VI. Profit or loss brought forward		8 051 535		1 875 611
VII. Profit or loss for the financial year		3 413 782		10 361 421
B. Subordinated liabilities			557 001	557 001
C. Technical provisions			58 083 589	58 389 805
1. Provision for unearned premiums				
a) gross amount	7 041 811		6 531 022	
b) reinsurance share (-)	1 183 571	5 858 240	1 104 472	5 426 550
2. Life assurance provision				
a) gross amount	34 838 733		36 333 485	
b) reinsurance share (-)		34 838 733		36 333 485
3. Provision for outstanding claims				
a) gross amount	20 754 035		20 604 329	
b) reinsurance share (-)	8 181 762	12 572 273	8 544 229	12 060 100
4. Provision for bonuses and rebates				
a) gross amount	3 441 340		2 566 862	
b) reinsurance share (-)	114 471	3 326 869	100 884	2 465 978
6. Other technical provisions				
a) gross amount	1 487 474		2 103 692	
b) reinsurance share (-)		1 487 474		2 103 692
D. Life assurance technical provision where the investment risk is borne by the policyholders			7 988 846	9 578 997
a) gross amount	7 988 846		9 578 997	
b) reinsurance share (-)				
E. Provisions			251 270	2 086 756
1. Provisions for pensions and similar obligations		95 337		117 342
2. Provisions for taxation				1 840 234
3. Other provisions		155 933		129 180
F. Deposits received from reinsurers			4 287 725	4 441 933
G. Creditors			6 011 505	5 597 174
I. Payables arising from direct insurance operations		4 999 179		4 756 837
II. Payables arising from reinsurance operations		183 402		191 525
IV. Amounts owed to credit institutions		97		847
V. Other payables, thereof		828 827		647 965
a) Tax liabilities and payables due to social security and health insurance institutions		187 498		164 956
H. Temporary liability accounts			3 282 509	2 629 665
I. Accrued expenses and deferred revenues		756 495		741 977
II. Other temporary liability accounts, thereof		2 526 014		1 887 688
a) Estimated payables		2 526 014		1 887 688
TOTAL LIABILITIES			94 857 551	100 246 407

*In 2022, the Company changed the recognition of a provision for bonuses and rebates for claims-free history and loyalty in life assurance from item II.C.2. Life assurance provision to item II.C.4. Provision for bonuses and rebates. The change and the impact of reclassification are described in note I.5. to the financial statements.

Income statement

Income statement for the year ended 31 December 2022

Description	2022 Base	2022 Subtotal	2022 Result	2021 Result
I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE				
1. Earned premiums, net of reinsurance:	x	x	x	x
a) gross premiums written	32 077 615	x	x	x
b) outward reinsurance premiums (-)	7 073 767	25 003 848	x	x
c) change in the gross provision for unearned premiums (+/-)	505 881	x	x	x
d) change in the provision for unearned premiums, reinsurance share (+/-)	79 366	426 515	24 577 333	22 499 028
2. Allocated investment return transferred from the non-technical account	x	x	402 409	7 138 297
3. Other technical income, net of reinsurance	x	x	631 224	601 811
4. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	16 629 890	x	x	x
bb) reinsurance share (-)	3 241 580	13 388 310	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	117 397	x	x	x
bb) reinsurance share (-)	-368 690	486 087	13 874 397	12 402 565
5. Changes in other technical provisions, net of reinsurance (+/-)	x	x	-129	-147
6. Bonuses and rebates, net of reinsurance	x	x	397 983	370 619
7. Net operating expenses:	x	x	x	x
a) acquisition costs	x	6 305 766	x	x
b) change in deferred acquisition costs (+/-)	x	-96 210	x	x
c) administrative expenses	x	1 036 722	x	x
d) reinsurance commissions and profit participation (-)	x	1 605 066	5 641 212	5 110 574
8. Other technical expenses, net of reinsurance	x	x	4 059 228	3 875 860
10. Sub-total on the technical account for non-life insurance	x	x	1 638 275	8 479 665

Description	2022 Base	2022 Subtotal	2022 Result	2021 Result
II. TECHNICAL ACCOUNT FOR LIFE ASSURANCE	x	x	x	x
1. Earned premiums, net of reinsurance:	x	x	x	x
a) gross premiums written	x	15 522 767	x	x
b) outward reinsurance premiums (-)	x	2 480 088	x	x
c) change in the provision for unearned premiums, net of reinsurance (+/-)	x	5 174	13 037 505	12 481 271
2. Income from investments:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	77 314	x	x
b) income from other investments, with a separate indication of that derived from controlling influence	x	x	x	x
aa) income from land and buildings	1 639	x	x	x
bb) income from other investments	1 415 157	1 416 796	x	x
c) value adjustments on investments	x	22 701	x	x
d) income from disposal of investments	x	3 488 720	5 005 531	2 112 309
3. Unrealised gains on investments	x	x	19 306	974 393
4. Other technical income, net of reinsurance	x	x	181 338	168 741
5. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	11 272 843	x	x	x
bb) reinsurance share (-)	1 035 511	10 237 332	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	32 308	x	x	x
bb) reinsurance share (-)	6 222	26 086	10 263 418	7 738 586
6. Changes in other technical provisions, net of reinsurance (+/-):	x	x	x	x
a) life assurance provisions:	x	x	x	x
aa) gross amount	-1 494 752	x	x	x
bb) reinsurance share (-)		-1 494 752	x	x
b) other technical provisions, net of reinsurance	x	-2 206 239	-3 700 991	837 729
7. Bonuses and rebates, net of reinsurance	x	x	1 161 156	657 475
8. Net operating expenses:	x	x	x	x
a) acquisition costs	x	4 869 720	x	x
b) change in deferred acquisition costs (+/-)	x	-2 044 282	x	x
c) administrative expenses	x	626 099	x	x
d) reinsurance commissions and profit participation (-)	x	1 336 752	2 114 785	2 363 241
9. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	136 054	x	x
b) value adjustments on investments	x	16 950	x	x
c) book value of disposed investments	x	3 413 362	3 566 366	797 707
10. Unrealised losses on investments	x	x	1 112 386	129 462
11. Other technical expenses, net of reinsurance	x	x	1 217 614	369 327
13. Sub-total on the technical account for life assurance	x	x	2 508 946	2 843 187

*In 2022, the Company changed the recognition of a change in the provision for bonuses and rebates for claims-free history and loyalty in life assurance from item II.6. b) Other technical provisions, net of reinsurance to item II. 7. Bonuses and rebates, net of reinsurance. The change and the impact of reclassification are described in note I.5. to the financial statements.

Income statement for the year ended 31 December 2022 (In thousands of Czech crowns TCZK)

Description	2022 Base	2022 Subtotal	2022 Result	2021 Result
III. NON-TECHNICAL ACCOUNT	x	x	x	x
1. Result of the technical account for non-life insurance	x	x	1 638 275	8 479 665
2. Result of the technical account for life assurance	x	x	2 508 946	2 843 187
3. Income from investments:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	263 362	x	x
b) income from other investments, with a separate indication of that derived from controlling influence	x	x	x	x
aa) income from land and buildings	76 639	x	x	x
bb) income from other investments	411 851	488 490	x	x
c) value adjustments on investments	x	28 116	x	x
d) income from disposal of investments	x	3 690 091	4 470 059	12 066 297
4. Allocated investment return transferred from the technical account for life-assurance (položka II.12.)	x	x		
5. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	372 824	x	x
b) value adjustments on investments	x	35 635	x	x
c) book value of disposed investments	x	3 659 191	4 067 650	4 928 000
6. Allocated investment return transferred to the technical account for non-life-insurance	x	x	402 409	7 138 297
7. Other income	x	x	32 069	14 146
8. Other expenses	x	x	55 888	171 144
9. Income tax on ordinary activities	x	x	709 116	802 963
10. Profit or loss on ordinary activities after tax	x	x	3 414 286	10 362 891
15. Other taxes not shown under the preceding items	x	x	504	1 470
16. Profit or loss for the financial year	x	x	3 413 782	10 361 421

Statement of changes in equity for the year ended 31 December 2022 (In thousands of Czech crowns TCZK)

	Registered capital	Share premium	Social and other funds	Capital funds	Profit (loss)	Total
BALANCE AT 1. 1. 2021	4 302 129	134 039	95 311	1 832 408	13 438 260	19 802 148
FX gains (losses) and changes in valuation not included in the profit and loss statement	0	0		-776 968	0	-776 968
Net profit/loss for accounting period	0	0		0	10 361 421	10 361 421
Profit shares	0	0		0	-11 442 649	-11 442 649
Transfers to funds	0	0	120 000	0	-120 000	0
Reduction of funds	0	0	-78 875	0	0	-78 875
Other changes	0	0		-900 000	0	-900 000
BALANCE AT 31. 12. 2021	4 302 129	134 039	136 436	155 440	12 237 032	16 965 076
BALANCE AT 1. 1. 2022	4 302 129	134 039	136 436	155 440	12 237 032	16 965 076
FX gains (losses) and changes in valuation not included in the profit and loss statement	0	0		-1 816 267	0	-1 816 267
Net profit/loss for accounting period	0	0		0	3 413 782	3 413 782
Dividends	0	0	0	0	-4 070 497	-4 070 497
Reduction of funds	0	0	115 000	0	-115 000	0
Reduction in registered capital	0	0	-96 988	0	0	-96 988
Balance at 31. 12. 2022	4 302 129	134 039	154 448	-1 660 827	11 465 317	14 395 106

Notes to the *Financial Statements*

2022

I. General Information

I. 1. Description and principal activities

Kooperativa pojišťovna, a.s., Vienna Insurance Group ("the Company") was recorded in the Commercial Register on 1 March 1993.

Company ID: 471 16 617.

The Company's shareholders as at 31 December 2022 are¹:

▶ VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	95,84%
▶ Česká spořitelna, a.s.	1,59%
▶ SVZD GmbH	1,44%
▶ Svaz českých a moravských výrobních družstev	1,13 %

The Company received a license to carry on insurance activities on 1 March 1993.

The Company carries on the following classes/groups of insurance:

Life assurance

- ▶ assurance on death, assurance on survival to a certain age, and assurance on survival to a certain age or death
- ▶ marriage insurance and savings insurance to provide funds to raise children
- ▶ pension insurance
- ▶ insurance connected with an investment fund / Unit-linked insurance
- ▶ accident or sickness insurance as a supplement to the above types of insurance

Non-life insurance

- ▶ accident and sickness insurance
- ▶ motor insurance – motor third-party liability insurance
- ▶ motor insurance – other types
- ▶ property insurance against fire and other damage
- ▶ insurance for aviation, and marine and transportation insurance
- ▶ liability insurance
- ▶ credit and surety insurance
- ▶ insurance for other losses

Registered office of the Company

Kooperativa pojišťovna, a.s., Vienna Insurance Group, Pobřežní 665/21, 186 00 Praha 8

Members of the board of directors and supervisory board as at 31 December 2022:

Members of the board of directors

Chair: **Ing. Martin Diviš, MBA**, Praha 6 - Liboc, Divoká Šárka 39/4, Post Code 164 00, Czech Republic

Member: **Mgr. Martin Laur**, Kralupy nad Vltavou, Lobeček, Ladova 587, Post Code 278 01, Czech Republic

Jiří Sýkora, Hudlice, Jáchymovská 261, Post Code 267 03, Czech Republic

Mag. Christoph Rath, Vienna, Clusiusgasse 1, Post Code 1090, Austria

Mgr. Filip Král, Praha 4 - Krč, Hurbanova 2052/25, Post Code 142 00, Czech Republic

Ing. Eva Poláchová, Praha 2 - Nové Město, Ječná 524/41, Post Code 120 00, Czech Republic

Ing. Jaroslav Kulhánek, Roudnička, Zalomená 175/22, Hradec Králové, Post Code 500 02, Czech Republic

Two members of the board of directors must always act and sign together in the name of the Company. Any authorisation to individually represent the Company in any acts relating to the its operation is excluded. If the expression of will is made in respect of the Company, it is sufficient if it is made in respect of one member of the board of directors. In order to sign on behalf of the Company, the signatures of the necessary number of authorised persons and their functions are required alongside the printed or written name of the Company.

¹ The percentage represents the share of registered capital including preference shares without voting rights. The share of individual shareholders in the voting rights is as follows: VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Austria – 91.68%; Česká spořitelna, a.s. 3.19%; SVZD GmbH, Austria – 2.88%; Svaz českých a moravských výrobních družstev, Prague – 2.25%.

Members of the supervisory board

Chairperson: **Prof. Elisabeth Stadler**, Langenlois, Höllgasse 32, Post Code 3550, Austria

Vice-chair: **Ing. Vladimír Mráz**, Praha 1 – Nové Město, Nekázanka 881/9, Post Code 110 00, Czech Republic

Members: **Ing. Roman Brablec**, Praha 6 - Řepy, Španielova 1313/21, Post Code 163 00, Czech Republic

Jan Wiesner, Praha 4 - Míchle, Podle Kačerova 1330/15, Post Code 141 00, Czech Republic

Dr. Ing. Vratislav Kulhánek, Srubec, V Lukách 1135, Post Code 370 06, Czech Republic

Ing. Daniel Pražan, MBA, Velký Újezd, Na Nivách 336, Post Code 783 55, Czech Republic

Jan Růžička, Praha 5 - Holyně, náměstí Pod lípou 6/6, Post Code 154 00, Czech Republic

Dkfm. Karl Fink, Vienna, Kurzbauer Gasse 5/17, Post Code 1020, Austria

Mag. Gerhard Lahner, Mistelbach, Gartengasse 21, Post Code 2130, Austria

Mag. Harald Josef Londer, Leopoldsdorf, Feuerwehrstrasse 7, Post Code 2333, Austria

Ing. Tomáš Salomon, Praha 6 – Ruzyně, Alej Českých exulantů 1153/9, Post Code 161 00, Czech Republic

Ing. Vladimír Dlouhý, Praha 5 – Smíchov, Na Hřebenkách 815/126, Post Code 156 00, Czech Republic

Mgr. Šárka Brúnová, Praha 2 – Vinohrady, U Kanálky 1455/12, Post Code 120 00, Czech Republic

Ing. Radmila Dočekalová, Brno – Komín, Jundrovská 1253/23, Post Code 624 00, Czech Republic

Hartwig Löger, Vienna, Untere Donaustraße 47/13, Post Code 1020, Austria

JUDr. Hana Macháčová, Praha 4 – Šeberov, K Újezdu 392, Post Code 149 00, Czech Republic

Ing. Irena Rohlová, Chýně, Točivá 388, Post Code 253 03, Czech Republic

Ing. Soňa Van Deelenová, Praha 4 – Krč, Bohrova 1630/9, Post Code 142 00, Czech Republic

Organisational structure

The Company has the following statutory bodies: general assembly of the shareholders, board of directors, advisory committee to the board of directors, supervisory board and audit committee. The Company conducts its activities through its organisational divisions, comprising departments of the first management level of the general directorate, centres and agencies.

I. 2. Compliance with legislation

At the reporting date, the Company fully complied with Act No. 277/2009 Coll., on Insurance, as amended ("the Insurance Act"), Act No. 89/2012 Coll., ("the Civil Code"), Act No. 170/2018 Coll., on Distribution of Insurance and Reinsurance, Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended ("the Act on Motor Third-Party Liability Insurance"), and related implementing decrees and other applicable legislation.

I. 3. Basis of preparation

The accounting records of the Company are maintained and its financial statements have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended; Decree No. 502/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for entities that are insurance companies ("Decree No. 502/2002 Coll."); Czech Accounting Standards for entities that maintain their accounting records in compliance with Decree No. 502/2002 Coll., as amended, and other relevant legislation.

The accounting records of the Company are maintained in such a manner that the financial statements prepared based on those records give a true and fair view of the Company's financial position and financial performance.

The financial statements are based on the assumption that the Entity will continue as a going concern and that no circumstance restricts or prevents the Entity's ability to continue as a going concern in the foreseeable future.

This also holds true in regards with the ongoing Russia-Ukraine conflict that broke out at the end of February 2022; we are not aware of any substantial impact endangering the further operation of the Company in 2023 and beyond. The Company has performed its own assessment of the risks relating to the conflict and regularly monitors their development.

I. 4. Significant accounting policies

a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost.

Tangible fixed assets costing less than TCZK 80 referred to as low-value assets are depreciated over a three-year period.

Low-value IT assets costing less than TCZK 80 are charged to the income statement in the year in which they are acquired. Intangible fixed assets costing less than TCZK 500 are charged to the income statement in the year in which they are acquired.

The following depreciation rates are used for the individual asset classes:

Fixed assets	Method	Depreciation rate in %
Software	Straight-line	33.3
Other intangible fixed assets	Straight-line	33.3
Long-term operating movable assets - class I and II	Straight-line	16.7–25.0
Long-term operating movable assets - class III	Straight-line	16.7

(grouped according to material subclasses with the same depreciation rate)

b) Investments

Land and buildings

Land and buildings are initially recorded at their acquisition cost. Land is not subsequently depreciated while buildings are subsequently depreciated over their estimated useful lives. In the income statement, depreciation and respective impairment are presented in: Investment management charges.

Fixed assets	Method	Depreciation rate in %
4th depreciation category – 30 years – 3.3%	Straight-line	3.33
5th depreciation category – 45 years – 2.25%	Straight-line	2.25
6th depreciation category – 50 years – 2.00%	Straight-line	2.00

Improvements to leased real estate are depreciated on a straight-line basis over the shorter of the lease term and their estimated useful lives.

Investments in affiliated undertakings and participating interests

Participating interests in controlled persons are participations in another enterprise in which the company holds a controlling influence. In addition, other cases where the insurance company is a controlling person are reported under this item.

A participating interest with significant influence is an ownership interest in an affiliated company in which the insurance company exercises significant influence. The insurance company exercises significant influence if it holds, directly or indirectly, at least 20% of another company's registered capital or voting rights, unless it exercises controlling influence over that company or clearly demonstrates that it is unable to exercise significant influence.

At the acquisition date and at the balance sheet date, participating interests are stated at their acquisition cost. The acquisition cost is the amount for which the participating interests were acquired and includes all expenses directly associated with the acquisition.

Participation interests denominated in foreign currency are translated using the current exchange rate published by the Czech National Bank ("ČNB") as at the balance sheet date and the appropriate exchange rate difference is charged to profit or loss.

Similarly for other assets, as at the balance sheet date the Company assesses whether the participating interests are impaired.

Debt securities

At the acquisition date, debt securities are stated at acquisition cost.

Acquisition cost is the amount for which a debt security has been acquired and includes a proportionate part of any accrued interest and expenses directly associated with the acquisition.

The Company amortises premiums and discounts on all debt securities. Premiums and discounts are amortised to the income statement on the basis of the effective interest rate method from the date of acquisition to their maturity.

Amortised debt securities are revalued at their fair value as at the balance sheet date with the exception of debt securities held to maturity.

Fair value means the price derived from the listed market last prices which are published by a domestic or foreign stock exchange or other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date). If no market value is available or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. The Company uses in its models intended to establish the fair value of the Company's securities exclusively available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market situation before or after that date. Amortised cost means the price used when first recognised (the acquisition cost), which is gradually increased by accrued interest income, adjusted by amortisation of the discount/premium and decreased by the amount of adjustments. Debt securities are classified as securities valued at fair value through profit and loss or securities available for sale, and securities held to maturity.

The Company recognises the bonds held to maturity at their amortised cost as at the balance sheet date.

A change in the fair value of debt securities valued through profit and loss is recognised in the income statement and a change in the fair value of available-for-sale securities is recognised in the balance sheet.

Where debt securities are denominated in a foreign currency, their value is translated using the current exchange rate published by the ČNB. The appropriate exchange rate difference is charged to profit or loss.

Shares and other variable-yield securities

At the acquisition date, shares and other variable-yield securities are accounted for at acquisition cost.

Acquisition cost is the amount for which the shares or other variable-yield securities were acquired and includes all expenses directly associated with the acquisition.

At the balance sheet date, shares and other variable-yield securities are revalued at their fair value.

Fair value means the price derived from the listed market last prices which are published by a domestic or foreign stock exchange or other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date). If no market price is available or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. The Company uses in its models intended to establish the fair value of the Company's securities exclusively available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market situation before or after that date. The change in fair value of available-for-sale shares and units is recognised in the balance sheet. The change in fair value of other variable-yield securities is recognised in the income statement.

Where shares and other variable-yield securities are denominated in a foreign currency, their value is translated based on the current exchange rate published by the ČNB. The appropriate exchange rate difference is included in the fair value.

Deposits with financial institutions

Deposits with financial institutions are initially recognised at nominal value. As at the balance sheet date, this nominal value is adjusted by accrued interest.

Deposits denominated in a foreign currency are translated based on the current exchange rate published by the ČNB and the appropriate exchange rate difference is charged to profit or loss.

Derivatives

Derivatives are valued at fair value. Their fair value is derived from the listed market mid prices, from discounted cash flow models or from option valuation models that are based solely on available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market condition before or after that date. The management has reviewed these models as at the balance sheet date to ensure that they appropriately reflect current market conditions, including the relative liquidity of the market and credit spreads.

All derivatives are presented in Other investments.

Valuation differences of financial derivatives held for trading are presented as unrealised gains or unrealised losses on investments in the income statement.

Hedging derivatives

Hedging derivatives are recognised in the balance sheet at fair value.

Hedge accounting is only applied where:

- ▶ the hedge is in line with the Company's risk management strategy,
- ▶ the hedge relationship is formally documented at the inception of the hedge,
- ▶ the effectiveness of the hedge relationship can be objectively measured,
- ▶ the hedge relationship is highly effective throughout the accounting period, i.e. changes in the fair value or cash flows of the hedging instruments attributable to the hedged risk are within a range of 80–125% of the changes in the fair value or cash flows of the hedged instruments attributable to the hedged risk,

If the derivative hedges the exposure to changes in the fair value of assets and liabilities, the hedged item attributable to the risk being hedged is also carried at fair value. Gains and losses arising from the revaluation of the hedged item and the hedging derivative are recorded in the income statement.

The Company's strategy is to hedge the currency risk in respect of investment instruments denominated in other than the domestic currency, using forward exchange contracts (derivatives) or technical provisions maintained in the same currency.

Works of art

Initially and at the balance sheet date, works of art are recorded at their acquisition cost and are classified as fixed assets not subject to write-offs. During the accounting period, the selected works of art are used for investment and reallocated to other investment accounts.

c) Investments for the benefit of life assurance policyholders who bear the investment risk

Investments for the benefit of life assurance policyholders who bear the investment risk are accounted for separately from other investments.

At the balance sheet date, investments for the benefit of life assurance policyholders who bear the investment risk are revalued at their fair value. In order to preserve the true and fair view of the Company's result for the year, all changes resulting from revaluation at fair value have been reflected in the Company's income statement.

d) Adjustments

The Company creates adjustments to receivables and other assets except for investments reported at fair value.

Adjustments represent a temporary decrease in value of individual assets. The amount of the decrease is determined with the help of a professional risk assessment carried out by the management of the Company.

Adjustments to receivables from policyholders are established based on an analysis of their recoverability. Adjustments are created inclusively based on ageing analysis of the receivables.

Adjustments to bonds held to maturity are accounted for only if there is a risk that the notional principal amount of the bond, the bond yield or both the value and the yield would not be repaid.

e) Impairment of assets

As at the balance sheet date, the Company assesses whether those assets, which are not carried at fair value through profit and loss are impaired. The impairment of an asset is recognised in the income statement.

f) Deferred acquisition costs

Deferred acquisition costs of insurance contracts represent the proportion of the acquisition costs incurred in concluding or amending insurance contracts by the end of the current financial year that relates to the revenues of subsequent financial years.

At the end of each financial year, the Company assesses the adequacy of deferred acquisition costs based on a liability adequacy test for both non-life insurance and life assurance by determining the provision for liabilities arising from the applied technical interest rate in the life assurance.

Non-life insurance

In respect of non-life insurance, deferred acquisition costs are based on total acquisition costs incurred in the current period and the ratio of the gross provision for unearned premiums as at the balance sheet date to the total gross premiums written for the financial year. Deferred acquisition costs are determined separately for motor third-party liability insurance and for the remaining classes of non-life insurance.

Life assurance

Different actuarial methods are used to determine the amount of deferred acquisition costs in life assurance, depending on the type and design of the insurance and the method chosen to determine the amount of the life assurance provision or the provision for life assurance where the investment risk is borne by the policyholders. The following methods are used for the bulk of the portfolio:

If the zillmerisation method is used to determine the amount of the life assurance provision, the amount of the deferred acquisition costs is equal to the negative part of the life assurance provision before it is zeroed.

For insurance risks for which the zillmerisation method is not used, the amount of deferred acquisition costs is based on the total acquisition costs incurred up to the end of the current financial year. It is calculated according to the ratio of the period to the end of the guarantee to the total guarantee period of the intermediary the remaining period to the end of the average duration of the insurance contracts.

In the case of a unit-linked assurance for which acquisition cost charges are deducted directly from premiums paid or from the policyholder's account (capital value of the policy) in the early years of the policy, the amount of the deferred acquisition costs is determined by directly calculating the present value of future acquisition cost charges.

g) Accumulated debt

Accumulated debt occurs mainly in unit-linked assurance contracts when the capital value of the insurance is insufficient to cover the charges for insurance risks, initial costs, account maintenance costs and other insurance-related costs.

Accumulated debt represents an aggregate of costs incurred by the Company in connection with insurance contracts which have not been settled by the policyholders yet. Its book value is determined with regard to the expected recovery value of the asset, which is assessed employing the prospective method and considering all relevant future cash flows using prudent estimates of the lapse rate, claims frequency, costs and other assurance contract parameters. A change of the accumulated debt from life assurance is charged to profit or loss.

h) Income tax

Income tax on the profit for the year comprises current income tax and the change in deferred tax. Current income tax comprises the tax liability calculated from the tax base using the effective tax rate and any additional payments or refunds of tax for previous years.

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and other temporary differences (tax losses carried forward, if any) multiplied by the income tax rates expected to be valid for the periods in which the tax asset/liability is expected to be utilized.

A deferred tax asset is recognised only if there is no doubt that future taxable profits will be available against which this asset can be utilised.

On 1 January 2020, Act No. 364/2019 Coll. regulating the taxation of technical provisions came into effect. Technical provisions for tax calculation purposes are defined in accordance with the Solvency II EU Directive, and their amount is provided in the Solvency and Financial Condition Report.

In connection with this legislative regulation, a deferred tax asset has been calculated due to the different book and tax values of the technical provisions since 2020.

i) Provision for unearned premiums

The provision for unearned premiums is established based on the individual life assurance and non-life insurance contracts from a part of gross premiums written which is to be allocated to subsequent financial years. The Company uses the "pro rata temporis" method to estimate this provision.

j) Life assurance provision

The life assurance provision is established based on the individual life assurance contracts. The life assurance provision represents the value of future liabilities, including profit shares declared and allocated, determined by an actuarial estimate less the actuarial value of future premiums, which may take into account premium discounts already granted. Different actuarial methods are used to determine the amount of the provision, which are appropriate for the type and design of insurance. Any resulting negative values of provisions are replaced by zero. For a substantial part of the provisions, the prospective method combined with zillmerisation is used. Another significant part of the provisions is calculated using the retrospective method without using zillmerisation.

As part of the life assurance provision, a specific risk-related part is created, following the uncertainty of how the new regulation in connection with the general trend of strengthening consumer's rights and protection will be interpreted (31 December 2022: TCZK 1 155 000, 31 December 2021: TCZK 1 165 000)

k) Provision for outstanding claims

Provision for outstanding claims is not discounted to present value (with the exception of the provision for outstanding claims where claims payments are made in the form of annuities) and is intended to cover the liabilities resulting from claims:

- ▶ reported but not settled till the end of period (RBNS);
- ▶ incurred but not reported till the end of period (IBNR).

The amount of RBNS provision is determined as the sum of estimated costs on individual insurance settlements. The provision for outstanding claims is reduced by an estimate of the value of salvage and subrogation and similar recoveries. The Company establishes a provision for litigations in the full amount of the sum subject to the litigation.

The fair value of the IBNR provision is determined using actuarial and statistical methods.

The Company uses the chain-ladder method based on the amount of claims paid or on the amount of incurred claims for all insurance types, except for motor third party liability insurance, for which the provision is determined using the Monte Carlo simulation. The Monte Carlo simulation provides the opportunity to estimate the probability distribution of a liability, especially to predict the different security levels also in form of a split to the risk commencement years and underwriting years. The provision for outstanding claims also includes an estimate of all expected external and internal claims handling costs. On an annual basis, the board of directors reassesses the adequacy of the reliability level of the estimated provision for outstanding claims in respect of individual groups of insurance in accordance with the Company's accounting policies. Due to the COVID-19 pandemic and the related increased uncertainty concerning the development in the claims handling area, the safety margins for claims in the last twelve months were doubled in 2020. This measure was implemented across the entire portfolio of non-life insurance and life assurance and was also applied in 2021. In line with the current situation when the COVID-19 pandemic still persists, but its impact on the Company has lessened compared with the previous two years, the Company adjusted the margin for 2022 to a half. In addition, a specific safety margin was created in 2020 for the insurance of business interruption of small and medium-sized enterprises, and management continues to consider this margin relevant. It covers the negative impact due to a possible change in the market's assessment of certain business interruption exclusions. In particular, it reflects the potential volume of business from contracts with clients operating in the affected sectors during the period of ongoing government restrictions in the previous years.

In 2022, a major impact on increasing the uncertainty concerning future claims developments was attributable to inflation which had been already implicitly reflected in a medium level of claims provisions. The uncertainty concerning future development of the economic environment was covered by a significant increase in a safety margin in non-life insurance accounting provisions.

l) Provision for bonuses and rebates

The provision for bonuses and rebates is created in accordance with the respective terms set out in insurance contracts. Changes in the provision for bonuses and rebates in the income statement are presented in "Bonuses and rebates".

m) Other technical provisions**Provision for liabilities arising from the applied technical interest rate and other calculation parameters**

As at the balance sheet date, the Company calculates the value of the provision for liabilities arising from the applied technical interest rate and other calculation parameters to be able to determine a sufficient amount of life assurance

provision so that the Company is able to meet its liabilities following from concluded insurance contracts while simultaneously taking into account current estimates of the parameters when assessing the amount of liabilities accepted. In determining the provision for liabilities arising from the applied technical interest rate and other calculation parameters, the current value of insurance liabilities is calculated (using the best estimate of the future development of input assumptions adjusted by a risk margin). In order to improve the financial basis and to mitigate any accounting discrepancies in the determination of the current value of liabilities, the not yet recorded revenues on held-to-maturity assets to cover life assurance provisions are taken into account. The Company compares the current value of insurance liabilities with the total sum of life assurance provisions, provisions for unearned premiums, life assurance provisions where the investment risk is borne by the policyholder, provisions for outstanding claims, or non-life insurance provisions, and provisions for bonuses and rebates (the total sum of the above provisions is below referred to as the "life assurance provisions") reduced by the respective unamortised deferred acquisition costs and by the respective intangible assets (e.g. the accumulated debt). Where the current value of insurance liabilities exceeds the amount of life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets, the provision for liabilities arising from the applied technical interest rate and other calculation parameters established by the Company will amount to the difference between the current value of insurance liabilities and the life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets. The change in this provision is presented in Note II.6.b) in the income statement.

Provision for the credit risk in respect of intermediaries

In light of an amendment to the Act on Insurance Intermediaries from 2016 introducing a five-year period during which intermediaries guarantee negotiated contracts with their commissions, a provision for the credit risk in respect of intermediaries has been established. The provision reflects the risk that unearned commissions will not be returned by insurance agents due to insolvency.

n) Life assurance technical provision where the investment risk is borne by the policyholders

The life assurance technical provision where the investment risk is borne by the policyholders is intended to cover the liabilities of the Company due to the policyholders and insured persons in those classes of life assurance where, based on an insurance contract, the investment risk is borne by the policyholders.

The amount of the provision is calculated as the sum of liabilities due to insured persons in the amount of their shares of invested premiums from individual life assurance contracts in accordance with the principles included in the insurance contracts.

When life assurance where the investment risk is borne by the policyholders also includes payment of a guaranteed amount, this liability is included within the life assurance provision.

o) Reinsurance share of technical provisions

Technical provisions are presented as a net liability, i.e. after deduction of the reinsurance share. The amount of this share is calculated based on the terms of the related reinsurance contracts, the method of settlement with reinsurers and in consideration of the prudence principle.

The Company presents the reinsurance share of the provision for unearned premiums, the provision for outstanding claims and the provision for bonuses and rebates. The reinsurer does not participate in the other technical provisions.

p) Provisions

Provisions are intended to cover payables or expenses, which are clearly defined and the occurrence of which is either probable or certain but whose amount or timing are uncertain.

Provision for taxes

The provision for taxes is established as at the balance sheet date and amounts to the estimated income tax liability due. The use (release) of the provision is accounted for when the tax return is filed. The Company reduces the provision for taxes by income tax prepayments. The balance is presented in Provisions for taxation (note II.10) or in Other receivables if the income tax prepayments exceed the expected current tax liability (note II.5).

Employee benefits provision

At the balance sheet date, the provision includes the earned part of employee benefits which are due to employees because of their leaving. The applied actuarial methods include valorisation according to the expected increase in wages and the probability of survival and leaving a function. A risk-free interest rate adjusted by market value margins is used for discounting.

Provision for cyber risk

The provision was created due to the increasing risk of cyber attacks which the Company is facing. Based on an analysis of risk scenarios, a cumulative expected annual impact was calculated working with the probability of risk to the Company, the frequency of risk and a best estimate of the total cost. The Company will assess the adequacy of this provision annually.

q) Gross premiums written

Gross premiums written comprise all amounts written for the insurance period as at the date of the commencement of insurance coverage (in case of unit-linked assurance also paid amounts) based on insurance contracts during the financial year regardless of whether such amounts may relate in whole or in part to future financial years.

The Company carries out the legal insurance of an employer's liability in compliance with Act No. 125/1993 Coll. Any collected premium from this type of insurance is classified as gross premiums written.

r) Claims paid

Claims paid (including claims in compliance with Act No. 125/1993 Coll.) are recognised when an insured loss is agreed and after the amount of claims settlement has been assessed. These costs also include the Company's costs related to the handling of claims arising from insured events. Gross claims expenses are reduced by recourse claims and other claims of the Company.

s) Acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the conclusion of insurance contracts.

t) Staff costs, pensions and social fund

On behalf of its employees, the Company contributes to a defined contribution pension plan and an endowment life assurance scheme. These contributions are accounted for directly as personnel expenses.

The Company creates a social fund to finance the social needs of its employees and employee programmes. In compliance with Czech accounting requirements, the allocation to the social fund is not recognised in the income statement but as a profit distribution. Similarly, the usage of the social fund is not recognised in the income statement but as a decrease of the fund. The social fund forms a component of equity and is not shown as a liability.

u) Loss prevention fund

Under Section 23a (2) of the amendment to Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, which came into effect on 1 January 2015, the Insurance Company is obliged to pay at least 3% of annual premiums collected for motor third-party liability insurance for each calendar year to a Loss Prevention Fund.

v) Allocation of items between life assurance and non-life insurance

In order to account for items common to both life assurance and non-life insurance, the Company uses a method in compliance with Decree No. 502/2002 Coll. Under this method, individual items are grouped according to the class of insurance to which they relate. For items that cannot be allocated directly, the Company uses a method based on an internal analysis of labour absorption and other internally determined allocation keys.

Expenses and income from investments

Expenses and income from investments, which are directly related to life assurance activities, are recorded in the technical account for life assurance.

Other expenses and income from investments, which are not related to life assurance activities, are recorded initially in the non-technical account and subsequently allocated to the technical account for non-life insurance.

Other expenses and income

During the accounting period, clearly attributable expenses and income are accounted for directly in the relevant technical account for life assurance or non-life insurance or the non-technical account. Expenses and income that cannot be directly attributed are allocated between the technical account for life assurance and non-life insurance by means of the method stated above.

The allocation is not applied to taxes, fees, or other expenses incurred outside insurance or reinsurance activities.

w) Foreign currency translation

Transactions during the year are recorded at the ČNB rate effective on the transaction date or at the rate at which the transaction was realised.

At the balance sheet date, foreign currency assets and liabilities are translated at the ČNB official rate on that date.

Unless stated otherwise, foreign currency gains and losses are recorded in Company's income statement.

x) Consolidation

Pursuant to Section 38 of Decree No. 502/2002 Coll., the financial statements of the Company have been included in the consolidated financial statements of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, with its registered office in Austria, prepared in compliance with International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements of the parent company will be published in accordance with Sections 22 (2) and 21a of the Act on Accounting.

I. 5. Change in accounting policies and procedures and corrections of prior year errors

In 2022, the Company changed the recognition of a provision for bonuses and rebates for claims-free history and for loyalty – presented in a life assurance provision by the end of 2022. To harmonise the reporting approach to this type of provisions, since 2022 it has been presented in a provision for bonuses and rebates. The balance sheet and income statement figures were also adjusted for the comparable accounting period of 2021.

The adjustments of the 2021 figures are described below:

Balance sheet		
	2021 – updated	2021 - reported
Life assurance provision – gross amount	36 333 485	37 959 118
Life assurance provision – reinsure share	36 333 485	37 959 118
Provision for bonuses and rebates – gross amount	2 566 862	941 229
Provision for bonuses and rebates – reinsure share	2 465 978	840 345

Income statement		
	2021 - updated	2021 - reported
Other technical provisions, net of reinsurance	837 729	999 137
Bonuses and rebates, net of reinsurance	657 475	496 067

The Company did not make any changes to its accounting policies or procedures in 2022.

I. 6. Risk management

The financial condition and operating results of the Company are affected by a number of key risks, namely, market risk, credit risk, liquidity risk, insurance risk, operational risk, and compliance risk. Risk management complies with relevant legislation under the Solvency II directive.

In relation to the first pillar of Solvency II directive, the regulatory authority has set a solvency capital requirement ("SCR") in the interest of the policyholders in order to guarantee the Company's ability to cover future insurance settlements. To calculate SCR, the Company uses partial internal model for non-life underwriting risks. Throughout the year, eligible own funds to cover SCR exceeded the solvency capital requirement and were above the set risk appetite of the Company.

The risk is managed by setting up internal procedures and policies, as described below. For more details on solvency and risk management, see the Solvency and Financial Condition Report (SFCR), regularly published by the Company on its website.

a) Strategy for using financial instruments

The nature of the Company's business activities includes controlled acceptance of risks from underwritten insurance contracts which include financial guarantees and contingent liabilities. In order to mitigate the risks arising from a failure to meet the above guarantees and contingent liabilities, the Company purchases financial instruments corresponding approximately to the expected insurance settlements, their nature and timing.

The investment portfolio structure is governed by the nature of insurance liabilities, the expected rate of return on each asset group and the callable capital used to recognise each asset group's price movements.

The Company also uses financial instruments to mitigate currency and interest rate risks.

b) Market risk

The Company is exposed to market risk. Market risk follows from trading positions in interest rates, currencies and equity instruments and properties, all of which are exposed to common and specific changes in the market and from changes in the level of volatility of market rates or prices, such as interest rates, foreign exchange rates and equity prices.

The board of directors sets the strategy for the portfolio characteristics and the limits on the level of risk that may be accepted, monitored on a daily basis. The portfolio is managed under the prudent investment principle in accordance with Czech insurance legislation in force. Investment limits are set for the individual types of financial investments while respecting the counterparty risk. VaR models are used to monitor investment portfolio risks as well.

Using this approach does not prevent losses above these limits due to more significant market movements. As for unit-linked assurance assets, the market risk is borne exclusively by the policyholder.

c) Interest rate risk

The Company's financial position and cash flows are exposed to the risk of effects of fluctuations in the prevailing levels of market interest rates. Income from investments may both grow and decrease as a result of these fluctuations. As a part of its investment strategy, the Company insulates itself from possible losses by preventing the rate of return on investments to drop below the level of the technical interest rate. Based on methods stemming from cash flow analysis, the Company prepares portfolios of securities so that their value and structure preferably corresponds with the value and structure of liabilities.

d) Currency risk

The Company's assets and liabilities are denominated primarily in the domestic currency. The Company provides for the net exposure to the currency risk to be within acceptable limits. The Company also uses financial derivatives to hedge against the currency risk.

e) Credit risk

The Company is exposed to credit risk following from the counterparty failing to pay the amounts due in full.

Commercial and personal insurance is written primarily through intermediaries, who are subject to rigorous monthly

checks of information on unearned commissions in order to mitigate part of the credit risk associated with the intermediaries' involvement in the underwriting process.

The Company uses reinsurance in managing insurance risk. However, this does not release the Company from its responsibility of the initial insurer. If the reinsurer does not for any reason pay the insurance settlement, the Company has to pay it itself. The Company periodically monitors the creditworthiness of the individual reinsurers. Reinsurers are selected from an internal list, which is issued and regularly updated by a special working group on VIG level. The Company determines the maximum acceptable cession limits for individual reinsurers based on the type of insurance and type of the reinsurance contract.

Reinsurers are split into two basic groups by the type of reinsured business. For each of the groups, the mandatory condition for the reinsurers to be included in the group is their listing in the valuation list published by reputable rating agencies with at least the minimum required rating level. Participation of reinsurers not included in the list can be exceptionally approved by the above-mentioned working group or by the management of the Company, depending on the importance of the relevant case.

In choosing the structure of investments, the Company assesses the counterparty credit rating or issuer credit rating.

The rating is regularly reassessed. The Company sets maximum limits for individual types of financial instruments and counterparties.

The Company monitors regularly, i.e. on monthly basis, the level of receivables from outstanding premiums.

f) Liquidity risk

The Company is exposed to requirements for drawing its available funds on a daily basis. These requirements relate to insurance settlements, commissions, lapsed policies, and surrender. The liquidity risk is a risk that the cash necessary for payment of liabilities will not be available at the due date and at adequate cost.

The Company thus maintains a sufficient portion of its investment in liquid and secure financial instruments, which are used to cover insurance settlements, commissions, payments from lapsed policies, and surrenders. Minimum liquidity limits are set to manage this risk.

The Company evaluates its cash flows on daily basis and performs analyses at regular weekly meetings.

g) Insurance risk

Insurance risk is the possibility that the insured event occurs and the uncertainty of the amount of the resulting insurance settlement. Insurance risks comprise the following risks:

- ▶ risk of occurrence – the probability that the number of claims will differ from the original estimate;
- ▶ risk of estimate accuracy – the probability that the amount of insurance settlement will differ from the original estimate;
- ▶ risk of provisions/timing – the probability that changes may occur in the amount of the insurer's obligation at the end of the insurance period.

The Company manages insurance risks in particular by:

- ▶ mitigating the risk through reinsurance as regards the Company's exposure to the risk of individual large claims and catastrophes;
- ▶ using management information systems that provide up to date, reliable data on the risks to which the Company is exposed;
- ▶ applying a prudent underwriting policy.
- ▶ creating proper provisions, including regular checks of adequacy of technical provisions.

The Company's ceded reinsurance programme consists mainly of proportionate reinsurance (quota/ surplus reinsurance) combined with excess of loss reinsurance.

h) Operational risk

Operational risk means a risk of loss due to insufficiency or failure of internal processes, employees and systems, or due to external effect. The Company categorises its operational risks into groups by characteristics and each operational risk group comprises specific risks assessed as follows:

Operational risk groups comprise:

- ▶ Internal fraud
- ▶ External fraud
- ▶ Human resources management and care
- ▶ Unsuitable behaviour towards clients, product errors, incorrect business processes
- ▶ Tangible assets damage, premises inaccessibility
- ▶ Business disruption, system failure
- ▶ Process performance or management failure

Operational risk is evaluated in two ways. First by quantification through SCR calculated from the standard formula – i.e. from the amount of technical provisions and the prescribed premium. The second way to evaluate operational risk is the qualitative assessment through a risk mapping process and an evaluation of the control environment, in which risk owners of all divisions identify all risks their divisions are exposed to. The risk owners assess the effects of the risks and determine adequate measures, including control mechanisms aimed at mitigating these risks. The output is the risk and control matrix (RCM). All organisational units, including agencies, are included in the operational risk mapping process. The Company also specifically manages residual risks from important projects (i.e. risks that are further evaluated and managed by specific owners). Risk mapping output, risk mapping and residual risk action plans' implementation helps to monitor the risk profile in operational risk. The division of non-financial risks methodically manages first line protection departments, carries out independent control in the second line protection and reports through the Risk and capital management committee about the situation of operational risk management in the Company and proposes other operational risk solutions to the board of directors if necessary.

i) Compliance risk

Compliance risk is the risk of legal and regulatory sanctions (including criminal liability of the insurance company), financial loss or the loss of reputation that the Company may suffer as a result of non-compliance with statutory and regulatory requirements, rules relating to the Codes of Ethics of the Company and the VIG group, as well as to the Code of Ethics of the Czech Insurance Association. Compliance risk is a subcategory of operational risk.

Compliance risk management is assured by building a management and control environment that will guarantee:

- a) monitoring of legal and regulatory changes;
- b) reflecting legal and regulatory changes in the Company's internal standards;
- c) subsequent review of the compliance of performed activities with internal standards and legislation;
- d) mutual compliance between internal standards is monitored.
- e) identification, measurement, assessment, monitoring and reporting of compliance risks as well as the adoption of measures to remove or mitigate them.

The Compliance Function of the Company continuously monitors upcoming legal regulations (new legal regulations, changes/amendments to existing legal regulations) and case law, including regulatory requirements of supervisory authorities, and assesses their impacts on the Company's business. For this purpose, it prepares Legal News.

II. ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET**II. 1. Intangible fixed assets**

As at 31 December 2022, intangible fixed assets of the Company comprise the following items:

	Software	Other	Total
Acquisition cost at 1/1/2022	2 525 250	491 288	3 016 538
Additions	457 201	6 318	463 519
Disposals	81 496	0	81 496
Acquisition cost at 31/12/2022	2 900 955	497 606	3 398 561
Accumulated amortisation at 1/1/2022	1 886 628	410 668	2 297 296
Amortisation expense	318 800	5 341	324 141
Disposals	0	0	0
Accumulated amortisation at 31/12/2022	2 205 428	416 009	2 621 437
Net book value at 31/12/2022	638 622	80 620	719 242
Net book value at 31/12/2022	695 527	81 597	777 124

II. 2. Investments**a) Land and buildings**

31/12/2022	Operating land	Operating buildings	Non-operating land	Non-operating buildings	Total
Acquisition cost at 1/1/2022	221 164	2 329 533	17 113	148 006	2 715 816
Additions	0	5 130	0	64 621	69 751
Disposals	26 711	319 611	583	17 828	364 733
Acquisition cost at 31/12/2022	194 453	2 015 052	16 530	194 799	2 420 834
Accumulated amortisation at 1/1/2022	0	1 340 276	0	9 888	1 350 164
Amortisation expense		69 940		69 939	139 879
Disposals		265 264		20 028	285 292
Accumulated amortisation at 31/12/2022	0	1 144 952	0	59 799	1 204 751
Net book value at 1/1/2022	221 164	989 257	17 113	138 118	1 365 652
Net book value at 31/12/2022	194 453	870 100	16 530	135 000	1 216 083

Fair value	Operating land	Operating buildings	Non-operating land	Non-operating buildings	Total
31/12/2022	295 056	1 328 590	21 873	176 148	1 821 667
31/12/2021	315 719	1 493 534	22 795	179 572	2 011 620

b) Investments in affiliated undertakings and participating interests**Participating interests with controlling influence**

2022 (in thousands of Czech crowns "TCZK")	Share of registered capital in %	Book value	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
AB Modřice, a.s.*/*****	100	225 800	225 800	225 056	10 000	225 056	-495
CP Solutions a.s.	100	302 314	302 314	325 898	2 000	325 898	10 256
Main Point Karlín II., a.s.*/*****	100	90 000	90 000	91 264	10 000	91 264	2 167
SURPMO, a.s.	100	2 663	2 663	18 013	2 000	18 013	2 687
S-budovy, a.s.	100	45 709	45 709	76 948	70 000	76 948	906
AUTODROM SOSNOVÁ u České Lípy, a.s.*/**	100	61 474	61 474	37 682	2 000	37 682	648
GLOBAL ASSISTANCE a.s.*/	40	74 262	74 262	65 150	10 000	162 875	63 053
Global Partner, a.s.*/***	65	38 300	38 300	17 674	2 000	18 374	-10 954
HOTELY SRNÍ, a.s.*/****	100	262 218	262 218	431 504	181 573	431 504	9 547
Global Expert, s.r.o.	70	194 180	194 180	229 283	200	327 547	21 818
KAPITOL, a.s.*/	70	215 645	215 645	28 029	20 000	40 041	-8 146
AIS Servis, s.r.o.	70	108 175	108 175	38 399	7 400	54 855	22 647
Chrášťany komerční areál a.s.*/*****	100	92 215	92 215	67 801	2 000	67 801	2 943
VIG ND, a. s.*	88.29	2 098 831	2 430 899	2 116 118	2 391 000	2 396 797	36 315
VIG RE zajišťovna, a. s. *	10	315 130	315 130	328 226	3 150 000	3 382 256	616 689
VIG FUND, a. s. */*****	11.44	679 769	744 934	791 173	5 697	6 646 745	217 493
Total	N/A	4 806 685	5 203 918	4 888 218	N/A	N/A	N/A

Explanation:

The figure in the fair value column represents the value of the Company's share of the total equity of the controlled person. Participating interests in controlled persons are held by the Company for strategic reasons and their holding is not motivated by a desire to realise a profit from growth in their fair value.

Commentary:

* Data are based on the unaudited financial statements as at 31 December 2022.

** On 14 July 2021, Kooperativa acquired 100% of the shares in AUTODROM SOSNOVÁ u České Lípy, a.s. On 20 June 2022, the company was granted a contribution outside registered capital of CZK 17 000 000.

*** On 29 January 2021, Kooperativa granted Global Partner, a.s. a contribution outside registered capital of CZK 37 000 000 which, if returned, belongs only to Kooperativa, therefore the fair value represents the entire equity of the company for Kooperativa without the other shareholder's share of registered capital.

**** On 6 May 2022, HOTELY SRNÍ, a.s. was granted a contribution outside registered capital of CZK 60 000 000. On 29 August 2022, the company was granted a contribution outside registered capital of CZK 20 000 000.

***** On 28 March 2022, Kooperativa acquired 100% of the shares in Chrášťany komerční areál a.s.

***** On 11 July 2022, AB Modřice, a.s. was granted a contribution outside registered capital of CZK 165 800 000. On 30 September 2022, AB Modřice, a.s. was granted a contribution outside registered capital of CZK 50 000 000. On 31 January 2022, Main Point Karlín II., a.s. was granted a contribution outside registered capital of CZK 50 000 000.

***** The Company has a fair value of the shareholding, which is therefore included in the fair value figure instead of the share of the equity of the controlled person.

The above mentioned companies in which the Company holds a share of registered capital not exceeding 50% are considered controlled entities as they act in concert with the other companies from the VIG group.

2021 (in thousands of Czech crowns "TCZK")	Share of registered capital in %	Book value	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
AB Modřice, a.s.*	100	10 000	10 000	9 751	10 000	9 751	-71
CP Solutions a.s.	100	302 314	302 314	319 392	2 000	319 392	3 775
Main Point Karlín II., a.s.*	100	40 000	40 000	39 097	10 000	39 097	-182
SURPMO, a.s.	100	2 663	2 663	18 161	2 000	18 161	2 937
S-budovy, a.s.	100	45 709	45 709	76 042	70 000	76 042	80
AUTODROM SOSNOVÁ u České Lípy, a.s. *	100	44 473	44 473	20 325	2 000	20 325	-1 392
GLOBAL ASSISTANCE a.s.*	40	74 262	74 262	60 988	10 000	152 471	61 939
Global Partner, a.s.**	65	38 300	38 300	28 629	2 000	29 329	-9 671
HOTELY SRNÍ, a.s.	100	182 219	182 219	342 458	181 573	342 458	2 074
Global Expert, s.r.o.	70	194 180	194 180	216 714	200	309 591	25 092
KAPITOL, a.s.*	70	215 645	215 645	34 700	20 000	49 572	-12 093
AIS Servis, s.r.o.	70	108 175	108 175	47 356	7 400	67 651	7 170
VIG ND, a. s.*	88.29	2 098 831	2 430 899	2 084 056	2 391 000	2 360 482	16 157
VIG RE zajišťovna, a. s. *	10	315 130	315 130	447 831	3 150 000	4 478 305	525 416
VIG FUND, a. s. ***	11.44	700 769	744 934	806 704	5 697	6 822 976	344 389
TOTAL	N/A	4 372 670	4 748 903	4 552 204	N/A	N/A	N/A

Explanation:

The figure in the fair value column represents the value of the Company's share of the total equity of the controlled person. Participating interests in controlled persons are held by the Company for strategic reasons and their holding is not motivated by a desire to realise a profit from growth in their fair value.

Commentary:

* Data are based on the unaudited financial statements as at 31 December 2021.

** On 29 January 2021, Kooperativa granted the Company a contribution outside registered capital of CZK 37 000 000 which, if returned, belongs only to Kooperativa, therefore the fair value represents the entire equity of the company for Kooperativa without the other shareholder's share of registered capital. The Company established two subsidiaries (Global Partner Péče, z.ú. and Global Partner Zdraví, s.r.o.), which were recorded in the Commercial Register on 9 February 2021. On 25 June 2021, the change in the name of the company from Global Partner ČR, a.s. to Global Partner, a.s. was recorded in the Commercial Register.

*** The Company has a fair value of the shareholding, which is therefore included in the fair value figure instead of the share of the equity of the controlled person. Data are based on the unaudited financial statements.

Notes:

On 17 June 2021, an agreement on the transfer of shares in Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group was signed; VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe became the new shareholder of the company. Acquisition cost was stated based on external expert's opinions of NSG Morrison from 7 April 2021 and Deloitte Austria from 9 April 2021.

On 14 July 2021, Kooperativa acquired 100% of the shares in AUTODROM SOSNOVÁ u České Lípy, a.s.

On 23 July 2021, Global Expert, s.r.o. was granted a contribution outside registered capital to finance the purchase of AUTONOVA BRNO s.r.o. by the newly established subsidiary of Global Expert, s.r.o., namely Global Repair Centres, s.r.o.

Debt securities issued by entities in which the accounting entity holds a controlling or significant influence and loans and credits

	Fair value		Amortised value		Acquisition cost	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Loans granted (controlled entities)	342 865	407 243	380 717	431 449	378 189	428 579
Total	342 865	407 243	380 717	431 449	378 189	428 579

c) Shares and other variable-yield securities, other participating interests
Classification of shares and other variable-yield securities, other participating interests

	31/12/2022	31/12/2021
Shares and other variable-yield securities valued at fair value through profit and loss	245 565	182 189
Shares and other variable-yield securities available for sale	6 220 747	7 737 868
Total	6 466 312	7 920 057

Analysis of shares and other variable-yield securities at fair value through profit or loss

	Fair value		Acquisition cost	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Other				
Unlisted	245 565	182 189	250 775	176 088
Total	245 565	182 189	250 775	176 088

Analysis of available-for-sale shares and other variable-yield securities

	Fair value		Acquisition cost	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Issued by financial institutions				
- Listed on a recognised CR exchange	39 947	52 898	30 191	30 191
Other				
- Listed on a recognised CR exchange	331 134	348 238	244 021	229 022
- Listed elsewhere	2 066 691	3 004 034	1 919 671	2 350 797
- Unlisted	3 782 975	4 332 698	4 124 838	4 194 845
Total	6 220 747	7 737 868	6 318 721	6 804 855

d) Debt securities valued at fair value
Classification of debt securities valued at fair value

	31/12/2022	31/12/2021
Debt securities valued at fair value through profit and loss	22 211	286 904
Available-for-sale debt securities	14 405 006	16 376 491
Total	14 427 217	16 663 395

Analysis of debt securities at fair value through profit and loss

	Fair value		Acquisition cost	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Issued by financial institutions				
- Listed elsewhere	0	286 904	0	230 247
Issued by non-financial institutions				
- Listed elsewhere	22 211	0	22 030	0
Total	22 211	286 904	22 030	230 247

Analysis of available-for-sale debt securities

	Fair value		Acquisition cost	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Issued by financial institutions				
- Listed on a recognised CR exchange	129 190	103 494	127 000	100 000
- Listed elsewhere	192 096	274 405	191 744	285 072
- Unlisted	840 633	988 340	871 490	983 372
Issued by non-financial institutions				
- Listed on a recognised CR exchange	73 471	0	73 380	0
- Listed elsewhere	0	90 207	0	93 682
- Unlisted	552 800	800 929	650 780	824 033
Issued by government sector				
- Listed on a recognised CR exchange	11 954 773	13 283 484	13 572 612	14 023 138
- Listed elsewhere	0	260 590	0	233 129
- Unlisted	0	0	0	0
Other				
- Listed elsewhere	9 285	10 697	12 252	12 252
- Unlisted	652 758	564 345	669 758	570 758
Total	14 405 006	16 376 491	16 169 016	17 125 436

e) Debt securities held to maturity
Classification of debt securities held to maturity

	31/12/2022	31/12/2021
Debt securities held to maturity	31 589 606	36 504 742
Total	31 589 606	36 504 742

Analysis of debt securities held to maturity

	Fair value		Amortised value		Acquisition cost	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Issued by financial institutions						
Unlisted	1 864 106	2 215 258	2 015 983	2 316 324	2 261 687	2 520 694
Issued by non-financial institutions						
Listed on a recognised CR exchange	361 210	469 380	360 889	456 282	360 823	453 554
Unlisted	129 824	137 714	149 182	149 058	147 151	147 151
Issued by government sector						
Listed on a recognised CR exchange	25 435 181	34 011 837	29 032 441	33 583 078	29 275 278	33 716 562
Other						
Unlisted	28 385	0	31 111	0	30 000	0
Total	27 818 706	36 834 189	31 589 606	36 504 742	32 074 939	36 837 961

f) Other loans and credits

As at 31 December 2022, the Company had provided other loans and credits totalling TCZK 2 347 384 (2021: TCZK 3 200); a significant portion of this item are loans from reverse repurchase agreements.

g) Deposits with financial institutions

	Fair value		Acquisition cost	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Due within 1 year	3 763 774	2 507 856	3 700 000	2 500 000
Total	3 763 774	2 507 856	3 700 000	2 500 000

h) Other investments

	Nominal value		Fair value	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Forwards	1 788 667	2 941 544	22 957	83 174
Total	1 788 677	2 941 544	22 957	83 174

All hedge derivatives utilised by the Company are foreign exchange derivatives and the change in their fair value results from the development of the interest rate differential and the USD/CZK and EUR/CZK exchange rates over the period between the conclusion of the foreign exchange hedge and its revaluation at the end of the relevant accounting period.

	Acquisition cost		Fair value	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Works of art	132 829	132 829	263 182	263 182
Total	132 829	132 829	263 182	263 182

II. 3. Investments for the benefit of life assurance policyholders who bear the investment risk

Description	Acquisition cost		Fair value	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Shares and other variable-yield securities	6 587 365	6 273 479	7 988 846	8 822 047
Debt securities	0	441 326	0	756 950
Total	6 587 365	6 714 805	7 988 846	9 578 997

II. 4. Currency structure of investments

31/12/2022	Variable-yield securities	Fixed income securities	Deposits and other investments	Securities where the investment risk is borne by the policyholders
CZK	4 916 001	45 539 002	12 647 472	5 908 865
EUR	480 965	468 536	4 920	2 079 981
GBP	48 420	0	17 315	0
USD	1 020 926	0	722	0
PLN	0	9 285	0	0
Total	6 466 312	46 016 823	12 670 429	7 988 846

31/12/2021	Variable-yield securities	Fixed income securities	Deposits and other investments	Securities where the investment risk is borne by the policyholders
CZK	5 556 278	52 306 193	8 813 655	7 165 194
EUR	986 187	823 355	35 961	2 413 803
GBP	52 181	0	47 418	0
USD	1 325 411	22 396	-204	0
PLN	0	16 193	0	0
Total	7 920 057	53 168 137	8 896 830	9 578 997

II. 5. Receivables

31/12/2022	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	230 595	1 623	21 028	6 305 135	6 558 381
Overdue	1 997 659	53 301			2 050 960
Total	2 228 254	54 924	21 028	6 305 135	8 609 341
Adjustment	-450 611	-38 033	0	0	-488 644
Total net amount	1 777 643	16 891	21 028	6 305 135	8 120 697

31/12/2021	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	260 196	1 924	20 530	5 099 124	5 381 774
Overdue	1 911 245	51 725	0	0	1 962 970
Total	2 171 441	53 649	20 530	5 099 124	7 344 744
Adjustment	-454 377	-36 928			-491 305
Total net amount	1 717 064	16 721	20 530	5 099 124	6 853 439

Receivables that are overdue more than 5 years are not recorded.

Other receivables

	31/12/2022	31/12/2021
Inter-company receivables	52 342	52 381
Deferred tax assets*	5 811 089	4 924 965
Prepaid tax	40 541	63 967
Income tax prepayments	334 981	0
Other provided prepayments	42 030	39 820
Other receivables	24 152	17 991
Total other receivables	6 305 135	5 099 124

* For more information refer to section III.13.

In 2022, income tax prepayments were higher than the corporate income tax provision; they were offset against the corporate income tax provision totalling TCZK 1 157 223 (31 December 2021: TCZK 1 922 844).

II. 6. Other assets

Tangible fixed assets

	Total
Acquisition cost at 1/1/2022	1 232 645
Additions	686 278
Disposals	235 472
Acquisition cost at 31/12/2022	1 683 451
Accumulated depreciation at 1/1/2022	841 147
Depreciation expense	102 023
Disposals	74 338
Accumulated depreciation at 31/12/2022	868 832
Net book value at 1/1/2022	391 498
Net book value at 31/12/2022	814 619

II. 7. Temporary asset accounts

Deferred acquisition costs for life assurance contracts	31/12/2022	31/12/2021
Traditional life assurance	3 496 698	654 012
Unit-linked assurance	2 844 776	3 643 180
Total	6 341 474	4 297 192

The growth in deferred acquisition costs for traditional life assurance contracts is attributable to the launch of a new life assurance product in 2022.

Other temporary asset accounts	31/12/2022	31/12/2021
Reinsurance estimated receivables	515 769	401 407
Estimated receivable – unwritten premiums	129 294	171 529
Other estimated receivables	68 887	42 245
Deferred acquisition costs for provisions from unaccounted premiums	4 177	12 580
Accumulated debt	2 391 298	3 528 851
Other	388 201	242 054
Total	3 497 626	4 398 666

Reinsurance estimated payables

Under estimated receivables arising from reinsurance operations, the Company discloses an estimate of the appropriate profit commission from the reinsurers' share in the estimated written premiums disclosed above, an estimate of outgoing premiums from unaccounted written premiums from insurance contracts of the PPI type (framework contracts) and the not-yet-agreed receivables due from reinsurers for the fourth quarter.

Estimated receivable – unwritten premiums

Under estimated receivable – unwritten premiums, the Company discloses an estimate of unaccounted written premiums from framework insurance contracts (PPI insurance) for December, accounted for with the policyholder with a monthly delay.

II. 8. Equity

a) Registered capital

Type of security	Nominal value (TCZK)	Number of securities	Total volume (TCZK)
Ordinary shares of CZK 94 100 fully paid	94.1	1	94
Ordinary shares of CZK 29 500 fully paid	29.5	1	30
Ordinary shares of CZK 29 000 fully paid	29	1	29
Ordinary shares of CZK 76 400 fully paid	76.4	1	76
Ordinary shares of CZK 100 000 fully paid	100	21 509	2 150 900
Preference shares of CZK 100 000 fully paid	100	21 510	2 151 000
			4 302 129

The amount of the Company's registered capital complies with the requirements of the Insurance Act, with regard to the insurance classes in which the Company is authorised to carry on insurance activities.

b) Other capital funds

Other capital funds consist of the results of previous mergers and valuation differences from securities available for sale (in 2020, this included also the shareholder's add-on).

	31/12/2022	31/12/2021
Balance at 1/1	155 440	1 832 408
Change in the fair value of investments	-2 242 305	- 959 220
Change in deferred tax	426 038	182 252
Utilisation of the shareholder's add-on	0	-900 000
Balance at 31/12	-1 660 827	155 440

c) Proposed distribution of current period profit

Profit from the current period	
Transfer to social fund	123 000
Transfer from retained earnings	487 001
Dividend payment	2 803 781
Total	3 413 782

II. 9. Technical provisions**a) Provision for unearned premiums (gross)**

	31/12/2022	31/12/2021
Non-life insurance	6 867 899	6 362 018
Life assurance	173 912	169 004
Total	7 041 811	6 531 022

b) Provision for outstanding claims

The provision for outstanding claims at the end of the financial year can be analysed as follows:

	31/12/2022	31/12/2021
RBNS	15 115 158	14 566 023
IBNR	5 638 877	6 038 306
Total	20 754 035	20 604 329

Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 31 December 2021, the claims payments during 2022 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2022. The gross run-off result is as follows:

Class of insurance	31/12/2022	31/12/2021
Motor insurance – motor third-party liability insurance	897 729	653 216
Motor – other classes	-127 819	105 618
Fire and other damage to property	666 709	558 195
Liability	6 286	198 024
Accident and sickness – non-life insurance	4 686	15 784
Life assurance	580 479	1 170 439
Other	235 591	193 902
Total	2 263 661	2 895 178

Provision for outstanding claims in the form of annuities

After discounting, the gross provision for outstanding claims from liability insurance corresponding to annuity liabilities from reported claims amounted to TCZK 2 429 025 (2021: TCZK 2 356 781). The effect of discounting is TCZK 1 082 904 (2021: TCZK 872 971) and is only applied to these liabilities.

The Company used a wage valorisation rate and a disability pension valorisation rate according to the Czech Bureau of Insurers methodology as at 1 July 2022, to calculate the provision for outstanding claims paid in the form of annuities in respect of liability insurance/statutory motor third party liability insurance for the subsequent years. In 2022, the provision was discounted at 5% (2021: 1.5%) The 5% rate will also apply for 2023 and 2024; the 1.5% rate will apply for remaining future years. In 2022, the discount rate was in line with the Czech Bureau of Insurers methodology. The method rates and criteria used to estimate the remaining period for payment of the annuities are based on the currently valid Calculation tool for provisioning for annuities provided by the Czech Bureau of Insurers.

c) Provision for bonuses and rebates (gross)

Class of insurance	31/12/2022	31/12/2021
Non-life insurance	314 622	261 526
Life assurance	3 126 718	2 305 336
Total	3 441 340	2 566 862

* The Company changed the recognition of this item. The change is described in note I.5.

d) Other technical provisions (gross)

	Opening balance	Additions	Utilisation	Closing balance
Provision for liabilities arising from the applied technical interest rate	2 033 232	0	639 968	1 393 264
Non-life insurance provision	846	0	130	716
Provision for credit risk	69 614	26 972	3 092	93 494
Total	2 103 692	26 972	643 190	1 487 474

Provision for liabilities arising from the applied technical interest rate

Overview	31/12/2022	31/12/2021
Annuities insurance	1 326 004	1 907 296
Deposit insurance	44 718	100 805
Child insurance	0	2
Pure endowment insurance with premium refund at death	3 959	4 543
Endowment assurance	0	0
Funeral insurance	18 583	20 586
Total	1 393 264	2 033 232

II. 10. Provisions

Type of provision	Opening balance	Additions	Utilisation	Closing balance
Provision for pensions and similar obligations	117 342	0	22 005	95 337
Provision for taxes	1 840 234	1 910	1 842 144	0
Provision for cyber risks	129 000	26 933	0	155 933
Other provisions	180	0	180	0
Total	2 086 756	28 843	1 864 329	251 270

After offsetting against the income tax prepayments that were higher than the calculated tax provision, the resulting amount of the corporate income tax provision is stated in table II.10 (in 2021: CZK 1 840 234; the income tax prepayments were offset against the income tax provision in full).

II. 11. Payables**a) Subordinated liabilities**

As at 31 December 2022, the principal of the subordinated debt was TCZK 550 000 (31 December 2021: TCZK 550 000) and related interest was TCZK 7 001 (31 December 2021: TCZK 7 001). As at 31 October 2019, the subordinated debt was terminated; the five-year notice period commenced on 1 November 2019; the annual interest rate is at 5.05%.

b) Creditors

31/12/2022	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Total	4 856 387	142 792	183 402	828 924	6 011 505

31/12/2021	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Total	4 594 933	161 904	191 525	648 812	5 597 174

Year-on-year change of Payables to policy holders is caused by higher payables to state budget pursuant to Decree 125/1993 Coll. The Other payables item represents social security and health insurance liabilities, tax liabilities, payables to employees and to suppliers. All liabilities are short-term.

c) Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 105 198 (31 December 2021: TCZK 96 171), of which TCZK 70 142 (31 December 2021: TCZK 64 236) relates to social security and TCZK 35 056 (31 December 2021: TCZK 31 935) relates to health insurance. None of these liabilities are overdue.

d) Tax liabilities and subsidies

Tax liabilities amount to TCZK 82 300 (31 December 2021: TCZK 68 785). None of these liabilities are overdue.

e) Payables and receivables due to or from the reinsurer

The Company has a net payable to reinsurers/receivable from reinsurers of TCZK -162 374 (31 December 2021: TCZK -170 995).

II. 12. Temporary liability accounts

	31/12/2022	31/12/2021
Prepaid premium	372 527	364 152
Accrual of reinsurance premium	340 469	337 326
Estimated payables from commissions	1 045 325	682 810
Reinsurance estimated payables	528 290	361 517
Estimated payables from administration costs	940 247	833 105
Estimated payables to Loss Prevention Fund	12 152	10 256
Other	43 499	40 499
Total	3 282 509	2 629 665

II. 13. Inter-company receivables and payables

	31/12/2022	31/12/2021
Receivables		
Receivables from reinsurance	6 465 350	6 699 589
Other receivables	69 172	43 524
Total receivables	6 534 522	6 743 113
Payables		
Payables from reinsurance	4 643 253	4 709 404
Subordinated debt	557 001	557 001
Other payables	136 177	144 814
Total payables	5 336 431	5 411 219

Reinsurance receivables include reinsurance assets of TCZK 6 242 012 (31 December 2021: TCZK 6 583 127). Payables from reinsurance include reinsurance deposits of TCZK 4 287 725 (31 December 2021: TCZK 4 441 933).

III. ADDITIONAL DISCLOSURES IN RESPECT OF THE INCOME STATEMENT

III. 1. Non-life insurance

Non-life insurance for 2022 (2021) by class of insurance:

	Insurance class	Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsurance balance
Direct insurance						
Accident and sickness	1, 2					
2022		772 388	774 743	254 943	224 568	-82 625
2021		717 088	719 133	225 019	214 691	-68 428
Motor – other classes	3, 4, 5, 6					
2022		5 632 963	5 490 606	3 507 516	1 637 756	-17 187
2021		5 034 466	4 829 801	2 723 094	1 507 286	53 179
Fire and other damage to property	7, 8, 9					
2022		7 166 216	7 022 700	3 061 138	2 083 541	-1 310 733
2021		6 371 911	6 653 165	3 374 363	1 907 708	-698 992
Motor – liability	10					
2022		5 527 005	5 420 450	2 577 119	1 606 949	-214 347
2021		5 133 221	5 014 490	2 454 595	1 536 852	-144 977
Liability	11-18					
2022		3 921 273	3 798 437	2 367 246	1 140 090	-112 254
2021		3 460 940	3 396 695	2 321 986	1 036 183	-61 843
Employer's liability						
2022		8 295 787	8 295 787	4 724 456	331 831	0
2021		7 758 790	7 758 790	4 304 656	310 352	0
Reinsurance accepted						
2022		761 983	769 011	254 869	221 543	-231 833
2021		424 060	434 600	776 397	126 961	503 635
Total						
2022		32 077 615	31 571 734	16 747 287	7 246 278	-1 968 979
2021		28 900 476	28 806 674	16 180 110	6 640 033	-417 426

III. 2. Life assurance

Gross premiums written in life assurance:

	2022	2021
Individual (special) premiums	14 646 786	14 071 705
Premiums under group contracts	875 981	821 915
Total	15 522 767	14 893 620
Regular premium	14 899 645	14 191 766
Single premium	623 122	701 854
Total	15 522 767	14 893 620
Premiums from contracts without bonuses	3 268 663	2 248 620
Premiums from contracts with bonuses	1 857 127	2 011 176
Premiums from contracts where the investment risk is borne by policyholders	10 396 977	10 633 824
Total	15 522 767	14 893 620
Reinsurance balance	-101 870	-336 440

III. 3. Total amount of gross premiums written by country in which the insurance contract was concluded

Gross written premiums, both life and non-life, predominantly arise from insurance contracts concluded in the Czech Republic.

III. 4. Bonuses and rebates

Based on policy terms and insurance contracts, the Company granted the following bonuses and rebates which were or will be disbursed:

	2022	2021
Gross amount		
Non-life insurance	943 769	953 834
Life assurance	1 161 156	657 475
Total gross amount	2 104 925	1 611 309
Reinsurance share (non-life insurance)	545 786	583 215
Total net amount	1 559 139	1 028 094

* The Company changed the recognition of this item. The change is described in note I.5.

III. 5. Commissions and other acquisition costs for insurance contracts

	2022			2021		
	Non-life insurance	Life assurance	Total	Non-life insurance	Life assurance	Total
Commissions						
Initial	2 384 992	3 855 023	6 240 015	2 026 207	2 559 447	4 585 654
Renewal	1 626 830	0	1 626 830	1 470 697	0	1 470 697
Total commissions	4 011 822	3 855 023	7 866 845	3 496 904	2 559 447	6 056 351
Other acquisition costs	2 293 944	1 014 697	3 308 641	2 087 312	944 177	3 031 489
Change in deferred acquisition costs	-96 210	-2 044 282	-2 140 492	-112 910	-276 666	-389 576
Total acquisition costs	6 209 556	2 825 438	9 034 994	5 471 306	3 226 958	8 698 264

Renewal commissions are paid for client care, i.e. they are of retention nature. Other acquisition costs primarily comprise costs for wages and salaries, promotion, advertising and other administrative expenses associated with the conclusion of insurance contracts.

III. 6. Administrative expenses

	2022	2021
Personnel expenses (payroll, social and health insurance)	1 895 138	1 683 543
IT costs incl. IT assets write-offs	1 016 324	981 996
Expenses related to the operation of buildings	260 544	267 533
Communication (phone + postage)	47 876	48 635
Other services	31 633	31 090
Costs of company vehicles incl. write-offs	21 702	18 024
Material consumption	10 292	17 223
Insurance	24 282	21 084
Bank fees	36 130	35 201
Consultancy	57 584	65 945
Representation and gifts	44 306	357 610
Write-offs of other assets	9 732	7 468
Education	44 273	29 771
Travel expenses	15 349	7 338
Outsourcing*	-331 405	-304 923
Other financial costs	19 430	19 892
Other	45 375	56 647
Total administrative expenses before reallocation	3 248 565	3 344 077
Reallocation to acquisition costs	-675 273	-623 503
Reallocation to claims handling costs	-853 426	-801 238
Reallocation to costs of investments	-57 045	-41 595
Total administrative expenses	1 662 821	1 877 741

* The negative item represents compensation received from other companies in the group for shared activities.

III. 7. Other technical expenses and income

	2022	2021
Non-life insurance		
Other technical expenses	4 059 228	3 875 860
Other technical income	-631 224	-601 811
Balance – non-life insurance (+ expenses/- income)	3 428 004	3 274 049
Life assurance		
Other technical expenses	1 217 614	369 327
Other technical income	-181 338	-168 741
Balance – life assurance (+ expenses/- income)	1 036 276	200 586

The balance of other technical expenses and income in non-life insurance comprises the following items:

	2022	2021
Creation (+)/Release (-) of adjustments for receivables	-10 971	-1 561
Write-offs (+)/payments after write-offs (-) to receivables	61 078	25 481
Mandatory liability insurance – contribution to national budget	3 304 881	3 208 782
Foreign exchanges losses (+)/gains (-)	-28 262	-25 917
Contribution to Loss Prevention Fund and payments to the Bureau	171 446	148 507
Delegated claims	-22 871	-24 692
Co-insurance commissions (-)	-10 204	-12 247
Other	-37 093	-44 304
Balance of other technical expenses and income	3 428 004	3 274 049

The balance of other technical expenses and income in life assurance comprises the following items:

	2022	2021
Creation (+)/Release (-) of adjustments for receivables	8 311	2 157
Write-offs (+)/payments after write-offs (-) to receivables	1 705	3 145
Accumulated debt	1 137 553	294 641
Foreign exchanges losses (+)/gains (-)	-16 453	-15 728
Amortisation (-) of direct insurance liabilities	-50 598	-31 230
Other	-44 242	-52 399
Balance of other technical expenses and income	1 036 276	200 586

The reinsurer does not participate in other technical expenses and income of the Company.

III. 8. Other expenses and income

	2022	2021
Non-technical account		
Other expenses	55 888	171 144
Other income	-32 069	-14 146
Balance of other expenses and income (+ expenses/- income)	23 819	156 998

Balance of other expenses and income comprises the following items:

	2022	2021
Creation (+)/Release (-) of other provisions and adjustments for receivables	4 748	134 367
Write-offs (+)/payments after write-offs (-) to receivables	18	3 176
Mandatory liability insurance	526	1 840
Cooperation with Česká spořitelna – penzijní společnost, a.s.	-4 743	-5 267
Contributions to Bureau	19 809	19 237
Other	3 461	3 645
Balance of other expenses and income	23 819	156 998

III. 9. Employees and management

The average number of employees and executives and remuneration for 2022 and 2021 are as follows:

2022	Average number of employees	Payroll expense	Social and health insurance	Of which other expense
Employees	3 858	2 337 770	807 970	184 023
Executives	155	339 861	98 183	0
Total	4 013	2 677 631	906 153	184 023

2021	Average number of employees	Payroll expense	Social and health insurance	Of which other expense
Employees	3 901	2 260 896	667 721	171 828
Executives	156	328 679	75 562	0
Total	4 057	2 589 575	743 283	171 828

Personnel expenses (payroll, social security and health insurance, other expenses) of administration employees are disclosed in administrative expenses.

Total personnel expenses contain portion in administrative expenses before reallocation of TCZK 1 895 138 (2021: TCZK 1 683 543) and portion in acquisition costs of TCZK 1 688 646 (2021: TCZK 1 649 315).

Other expenses primarily comprise the employer's contributions for meal vouchers, pension plans and life assurance.

a) Statutory, executive and supervisory board members' remuneration

The Company has provided the following remuneration to the statutory, executive and supervisory board members for the financial years 2022 and 2021:

	2022	2021
Members of the board of directors	72 455	71 641
Members of the supervisory board	9 168	8 197
Total remuneration paid	81 623	79 838

b) Statutory, executive and supervisory board members' loans, other receivables and advances

In neither 2022 nor 2021 did the Company present any receivables from members of the board of directors or the supervisory board relating to granted loans or advances paid.

c) Information on remuneration for statutory auditors

Information on remuneration for statutory auditors is included in the notes to the consolidated financial statements of the parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe. The auditor provided to the Company and its controlled entities in the course of 2022 non-audit services within the approved limit of TEUR 119 (2021: TEUR 109). The services particularly included review of the Solvency and Financial Condition Report, and tax advisory.

III. 10. Allocation of investment return between technical account for non-life insurance and non-technical account

As at the balance sheet date in, the total amount of investment return allocated between the technical account for non-life insurance and the non-technical account by means of the method stated in note I.4.(v) totalled TCZK 4 024 09 (2021: TCZK 7 138 297).

III. 11. Result of non-technical account

The result of the non-technical account before tax as at 31 December 2022 amounted to TCZK -23 819 (31 December 2021: TCZK -156 998).

III. 12. Result before tax

The result before tax as at 31 December 2022 amounted to TCZK 4 123 402 (as at 31 December 2021: TCZK 11 165 854).

III. 13 Taxation

a) Income tax in the income statement

	2022	2021
Current tax expense	1 143 376	3 766 484
Deferred tax expense/ revenues	-460 086	-2 950 194
Current tax expense – AFS current tax correction	23 426	11 537
Other	2 400	-24 864
Total income tax charge	709 116	802 963

Income tax for 2022 (Current tax expense) includes the taxation of the difference in technical provisions of TCZK 430 867 under the Insurance Act and the Act on Accounting (see note I. 4. (h)) (31 December 2021: TCZK 2 961 595).

b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

	31/12/2022	31/12/2021
Temporary differences from intangible fixed assets	-18 760	-15 638
Adjustments and provisions	5 559 625	5 104 977
Temporary differences from tangible fixed assets	-94 114	-102 674
Valuation differences from revaluation of assets and liabilities	364 338	-61 699
Deferred tax asset/(liability)	5 811 089	4 924 965

The current tax rate for the particular period in which tax liability or tax receivable will be asserted, i.e. 19%, was applied for the calculation of the deferred tax.

The change in the net deferred tax asset can be analysed as follows:

	2022	2021
Net deferred tax asset at 31/12/2021	4 924 965	1 792 519
Deferred tax expense recognised on temporary differences	460 086	2 950 194
Valuation differences from revaluation of assets and liabilities	426 038	182 252
Net deferred tax asset at 31/12/2022	5 811 089	4 924 965

IV. OTHER DISCLOSURES

IV. 1. Contingencies and commitments

a) Co-insurance

The Company is the leading co-insurer in several coinsurance contracts in respect of which a claim of a material amount has been announced as at the end of the accounting period.

The Company considers it improbable that the beneficiary will file a claim in the full amount against the Company as the leading co-insurer and has therefore only established a provision for outstanding claims amounting to its share.

b) Membership of the Czech Bureau of Insurers (the Bureau)

As a member of the Bureau, the Company is obliged to guarantee the liabilities of the Bureau pursuant to the Act on Motor Third Party Liability Insurance. Therefore, the Company contributes to the guarantee fund. The amount of the contribution is determined using actuarial methods.

If any of the members of the Bureau is unable to meet their obligations arising from the statutory motor third-party liability insurance due to insolvency, the Company may become liable to make additional contributions to the guarantee fund.

c) Membership of the Czech Nuclear Pool

As a member of the Czech Nuclear Pool, the Company, under a "Joint and Several Liability" agreement, has assumed a liability, in proportion to the Company's net retention for the given contract, should one or more members of the Czech Nuclear Pool be unable to fulfil their obligation. The total contingent liability of the Company including joint and several liability is contractually limited to double the retention for the specific insured risk.

d) Office building

The Company has signed a lease agreement with VIG ND, a.s., and is letting offices at the Main Point Karlín building for 20 years, starting with 1 January 2012.

e) Contingent liabilities

As at the date of preparation of financial statements, the management of the Company was not aware of any significant commitments and potential future liabilities that were not reflected in these financial statements.

IV. 2. Subsequent events

The Company's management is not aware of any material subsequent events that have occurred since the balance sheet date that would have a material impact on the financial statements as at 31 December 2022.

Prague, 24 March 2023



Ing. Martin Diviš, MBA
Chairman of the board of directors



Mag. Christoph Rath
Member of the board of directors

Organisational Chart



Organisational Chart as of March 1, 2023

Board of Directors

Ing. Martin Diviš, MBA
Chairman of the Board

Mag. Christoph Rath
Member

Ing. Jaroslav Kulhánek
Member

Mgr. Martin Laur
Member

Mgr. Filip Král
Member

Jiří Sýkora
Member

Ing. Eva Poláčková
Member

Supervisory Board

prof. Elisabeth Stadler
Chairwoman of the Supervisory Board

Jan Wiesner
Member

Jan Růžička
Member

Mag. Harald Josef Londer
Member

Mgr. Šárka Brůnová
Member

JUDr. Hana Macháčová
Member

Ing. Vladimír Mráz
Vice-Chairman

Dr. Ing. Vratislav Kulhánek
Member

Dkfm. Karl Fink
Member

Ing. Tomáš Salomon
Member

Ing. Radmila Dočekalová
Member

Ing. Irena Rohlová, MBA
Member

Ing. Roman Brablec
Member

Ing. Daniel Pražan, MBA
Member

Mag. Gerhard Lahner
Member

Ing. Vladimír Dlouhý, CSc.
Member

Hartwig Löger
Member

Ing. Soňa van Deelenová
Member

Agencies

Prague Agency
Bc. Roman Hojný, MBA

West Bohemia Agency
Ing. Zuzana Trejdlová

South Moravia Agency
Ing. Milan Gregor

Central Bohemia Agency
PhDr. Roman Leština, MBA

North Bohemia Agency
Ing. Roman Kracík, MBA

North Moravia Agency
Ing. Daniel Pražan, MBA

South Bohemia and Vysocina Agency
Jiří Vančura

East Bohemia Agency
Ing. Ivo Sebera, MBA

Centres

Personal Lines Ins. Claims Handling
Centre
Ing. Ondřej Poul, Ph.D.

Insurance Policy Administration Centre
Ing. Radmila Dočekalová

Non-Life Insurance Claims Handling
Centre
Ing. Jiří Cita, MBA

Customer Care Centre
Ing. Tomáš Szewieczek

Centre For Liability Ins. For
Occupational Injuries
JUDr. Irena Macháčová

Divisions

General Secretariat Division
Ing. Petr Matlach

Hr Management Division
Ing. Michal Kopp, MBA

Commercial Risk Insurance
Division
Judr. Petr Suchánek, Ph.D.

Investment And Asset Management
Division
Ing. Luděk Marek

It Division
Bc. Dušan Drdla

Internal Audit Division
Ing. Filip Holý, Ph.D.

Reinsurance Division
Ing. Roman Brablec

Legal Division
Judr. Michal Kalvoda

Motor Insurance Division
Ing. Aleš Zethner, MBA

Internal Sales Management Division
Ing. Martin Pokorný

Economic Division
Ing. Mgr. Judita Říhová

Sales Support Division
Mgr. Matěj Flaschka

Marketing And Communication
Division
Ing. Jindřich Skrip

Property And Liability Insurance
Division
Ing. Radek Starosta

External Sales Management Division
Ing. Jaroslav Martinec

Personal Lines Insurance Division
Ing. Petr Procházka, MBA

Risk Management Division
Mgr. Jan Šváb, Ph.D.

Controlling And Planning Division
Ing. Martina Janurová

Actuarial Division
Rndr. Vladimíra Unzeitigová, Ph.D.

Data And Analytics Division
Ing. Ivan Janovskij

Security Division
Ing. Zdeněk Adamec

Bankassurance, Business Development
And Customer Experience Division
Ing. Irena Rohlová, MBA

Digital Sales Division
Ing. Adam Bouška

Addresses of the Organisation's Units

The Company's business network is managed through eight regional agencies. Kooperativa provides its services to clients from more than three hundred offices and retail locations located throughout the country. Insurance from Kooperativa can also be purchased through the branch offices of the Česká Spořitelna bank.

as of March 1, 2023

Head Office

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Commercial Risk Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Property and Liability Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Motor Vehicle Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Personal Line Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Bancassurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Centre of Occupational Injury Liability Insurance

Rašínova 692/4
602 00 Brno
☎ 545 556 241

Customer Support Centre

Brněnská 634
664 42 Modřice
☎ 545 434 002

Claims Adjustment Centre – Property and Liability

Rumunská 655/9
460 01 Liberec 4
☎ 485 218 801

Claims Adjustment Centre – Motor Vehicles

Sámová 664/8
101 00 Praha 10
☎ 272 112 111

Centre of Insurance Contract Administration

Brněnská 634
664 42 Modřice
☎ 545 434 004

Prague Agency

Vinohradská 1425/72
130 00 Praha 3
☎ 251 016 103

Central Bohemia Agency

Prosecká 855/68
190 00 Praha 9
☎ 956 426 070

North Bohemia Agency

nám. Dr. E. Beneše 25
460 01 Liberec 1
☎ 485 258 111

South Bohemia and Vysočina Agency

Zátkovo nábřeží 441/3
370 21 České Budějovice
☎ 386 791 111

West Bohemia Agency

Zahradní 2574/3
326 00 Plzeň
☎ 377 417 111

East Bohemia Agency

tř. Míru 94
530 02 Pardubice
☎ 956 427 200

North Moravia Agency

Zámecká 1240/19
702 00 Ostrava
☎ 596 279 811

South Moravia Agency

Nádražní 163/14
602 00 Brno
☎ 543 534 111

Report of the board of directors

on relations between related parties pursuant to Section 82 of Act No. 90/2012 Coll. on Business Corporations as amended.

I. Structure of relations

Kooperativa pojišťovna, a.s., Vienna Insurance Group, with registered office at Pobřežní 665/21, 186 00 Praha 8, Identification No.: 47116617, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, File No. 1897 ("Kooperativa") is the controlled entity.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, with registered office at Schottenring 30, Vienna 1010, Austria, registered in the Commercial Register kept by the Commercial Court in Vienna, Reg. No. FN75687 F ("VIG AG"), is the controlling entity.

II. Company's role in the group

VIG AG is the controlling entity of the Vienna Insurance Group (the "VIG Group"), having a legal form of joint-stock company. Within the VIG Group, Kooperativa is primarily engaged in insurance activities pursuant to Act No. 277/2009 Coll. on Insurance, and in activities directly associated with insurance.

III. Manner and means of control

VIG AG holds shares of Kooperativa in the aggregate nominal value of 95.8415% of the registered capital, whereby it fully controls Kooperativa, especially by making decisions at the General Assembly. Other subsidiaries are specified below in the attached list (hereinafter "VIG Group Companies").

IV. Overview of mutual agreements between Kooperativa and VIG Group Companies

AB Modřice, a.s.

- ▶ Contract between Kooperativa and AB Modřice, a.s. on cost sharing
- ▶ Contracts between Kooperativa and AB Modřice, a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital
- ▶ Purchase contract on the transfer of ownership of immovables
- ▶ Contract between Kooperativa and AB Modřice, a.s. on mutual offsetting of receivables
- ▶ Insurance contract between Kooperativa and AB Modřice, a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and AB Modřice, a.s. on lease of business-related premises

AIS Servis, s.r.o.

- ▶ Insurance contract between Kooperativa and AIS Servis, s.r.o. on insurance of property and liability insurance risks
- ▶ Insurance contracts between Kooperativa and AIS Servis, s.r.o. on insurance of employee liability for damage caused to the employer
- ▶ Insurance contracts between Kooperativa and AIS Servis, s.r.o. on comprehensive motor vehicle insurance "NAMÍRU"
- ▶ Insurance contracts between Kooperativa and AIS Servis, s.r.o. on life assurance and accident insurance
- ▶ Insurance contract between Kooperativa and AIS Servis, s.r.o. on liability insurance
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on IT systems security cooperation

- ▶ Contracts between Kooperativa and AIS Servis, s.r.o. for work
- ▶ Contracts between Kooperativa and AIS Servis, s.r.o. on sublease
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on support and application development
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. for work – Golem and SAP system training
- ▶ Loan contracts between Kooperativa and AIS Servis, s.r.o.
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on cost sharing
- ▶ Agreement between Kooperativa and AIS Servis, s.r.o., on confidentiality and personal data processing

Anděl Investment Praha s.r.o.

- ▶ Insurance contract between Kooperativa and Anděl Investment Praha s.r.o. on insurance of property and liability insurance risks

AUTODROM SOSNOVÁ u České Lípy a.s.

- ▶ Contract between Kooperativa and AUTODROM SOSNOVÁ u České Lípy a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital

AUTONOVA BRNO s.r.o.

- ▶ Agreement between Kooperativa and AUTONOVA BRNO s.r.o. on confidentiality and personal data processing
- ▶ Letter of Intent between Kooperativa and AUTONOVA BRNO s.r.o.
- ▶ Purchase contract between Kooperativa and AUTONOVA BRNO s.r.o. on the purchase of used motor vehicle
- ▶ Insurance contract between Kooperativa and AUTONOVA BRNO s.r.o. on D&O liability insurance
- ▶ Contract between Kooperativa and AUTONOVA BRNO, s.r.o. on lease of a portion of land
- ▶ Insurance contract between Kooperativa and AUTONOVA BRNO, s.r.o. on standard business risk insurance
- ▶ Fleet insurance contract between Kooperativa and AUTONOVA BRNO s.r.o.
- ▶ Insurance contract between Kooperativa and AUTONOVA BRNO s.r.o. on Autobazar

Bohemika a.s.

- ▶ Contract between Kooperativa and Bohemika a.s. on cost sharing

CP Solutions a.s.

- ▶ Contract between Kooperativa and CP Solutions a.s. on the provision of software usage rights and related services
- ▶ Contract between Kooperativa and CP Solutions a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital
- ▶ Contract between Kooperativa and CP Solutions a.s. on lease of business-related premises
- ▶ Loan agreement between Kooperativa and CP Solutions a.s.
- ▶ Contract between Kooperativa and CP Solutions a.s. on cost sharing

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group

- ▶ Contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on the provision of reinsurance cover for insurance of property and liability risks
- ▶ Insurance contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on management life assurance
- ▶ Insurance contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurance of property and liability insurance risks
- ▶ Contracts for the co-insurance or reinsurance share of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurance contracts led by Kooperativa
- ▶ Group Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for insurance of Fleet comprehensive car insurance
- ▶ Contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on the lease and sublease of non-residential premises

- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on cost sharing
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurers' cooperation in providing nuclear facilities' liability insurance
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurers' cooperation in providing nuclear facilities' property insurance
- ▶ Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on intragroup cooperation
- ▶ Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on personal data processing
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on D&O liability insurance
- ▶ Agreement of insurers participating in nuclear facilities' operation risk insurance on joint and several liability between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
- ▶ Agreement between Kooperativa, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Autem Bez Starostí s.r.o., and GLOBAL ASSISTANCE a.s. on mutual settlement of receivables

ČPP Servis, s.r.o.

- ▶ Contract between Kooperativa and ČPP Servis, s.r.o. on cost sharing
- ▶ Contracts between Kooperativa and ČPP Servis, s.r.o. on sublease of non-residential premises
- ▶ Contract between Kooperativa and ČPP Servis, s.r.o. on IT security systems cooperation
- ▶ Contract between Kooperativa and ČPP Servis, s.r.o. on sale of movables

FinServis Plus, s.r.o.

- ▶ Contract between Kooperativa and FinServis Plus, s.r.o. on cost sharing
- ▶ Contract between Kooperativa and FinServis Plus, s.r.o. on business representation

GLOBAL ASSISTANCE a.s.

- ▶ Insurance contract between Kooperativa and GLOBAL ASSISTANCE a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services and claims settlement for Česká spořitelna, a.s.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of provision of assistance services for Maják product
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on data protection and personal data protection
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of provision of health care assistance services – in the territory of the Czech Republic
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of travel insurance assistance services
- ▶ Contracts between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services – home assistance (House Line)
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services for vehicles – technical assistance
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on legal protection insurance for accounts of ČS
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in connection with legal protection insurance
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (phone assistance for Česká spořitelna clients in case of loss, theft of a payment card)
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services within the product of compulsory insurance against the insolvency of a travel agency
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (insurance of apartment buildings)
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation – private life assurance of GLOBAL ASSISTANCE a.s. employees
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services for cyber insurance
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cost sharing
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in alternative claims settlement

- ▶ Framework Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (BD+ Trend)
- ▶ Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. on non-disclosure
- ▶ Agreement between Kooperativa, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Autem Bez Starostí s.r.o., and GLOBAL ASSISTANCE a.s. on mutual settlement of receivables
- ▶ Three-way agreement between Kooperativa, GLOBAL ASSISTANCE a.s. and Czech Rent a CAR on business cooperation – renting of personal motor vehicles to insured persons
- ▶ Three-way agreement between Kooperativa, GLOBAL ASSISTANCE a.s. and ALIMEX on business cooperation in the field of rental of passenger cars
- ▶ Framework Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. on insurance conditions – employee benefits for GA employees, property and motor vehicle insurance
- ▶ Framework cooperation agreement on cooperation in antigen testing
- ▶ Cooperation agreement on the provision of assistance services related to the Rodinná asistence product (Family assistance)
- ▶ Liability insurance contract – claims settlement
- ▶ Liability insurance contract – D&O liability
- ▶ Liability insurance contract – liability insurance for health service providers OZ 8
- ▶ Insurance contract – employee travel insurance (KOLUMBUS)
- ▶ Contract on advertising cooperation concluded in compliance with Section 269, par. 2 of the Commercial Code

Global Expert, s.r.o.

- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on insurance of property and liability insurance risks
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on term life insurance with supplementary insurances and possibility of additional insurances
- ▶ Insurance contracts between Kooperativa and Global Expert, s.r.o. on the accident insurance of the child for one-off premiums
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on liability insurance for damage caused by the activities of an independent loss adjuster
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. enabling the insurance company to enter into life assurance and accident insurance contracts with Global Expert, s.r.o. employees under the employee benefit programme
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on motor third party liability insurance, and Global Expert, s.r.o. accident insurance
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on third party property damage liability insurance
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on insurance of employee liability for damage caused to the employer
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on insurance of medical expenses abroad and employee travel insurance paid by the employer under the Global Expert, s.r.o. employee benefits programme
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on liability insurance for damage caused by members of the statutory bodies of the business corporation
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on drone insurance (accident insurance, damage liability insurance)
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on cost sharing
- ▶ Contracts between Kooperativa and Global Expert, s.r.o. on lease and sublease
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on outsourcing – – claims settlement of motor vehicles, property, liability
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on outsourcing – pre-entry inspection of vehicles
- ▶ Loan contract between Kooperativa and Global Expert, s.r.o.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on IT systems security cooperation
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on sale of movables.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on cooperation in concluding private life assurance contracts
- ▶ Agreement between Kooperativa and Global Expert, s.r.o. on confidentiality and personal data processing

Global Partner, a.s.

- ▶ Contract between Kooperativa and Global Partner, a.s. on cost sharing
- ▶ Contract between Kooperativa and Global Partner, a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital
- ▶ Contracts between Kooperativa and Global Partner, a.s. on lease parking spaces
- ▶ Fleet contract between Kooperativa and Global Partner a.s. on accident insurance, liability insurance, assistance services insurance, windscreen insurance, baggage insurance, cost insurance and substitute car lease
- ▶ Contract between Kooperativa and Global Partner, a.s., on sub-leases of business premises

Global Partner Zdraví, s.r.o.

- ▶ Contract between Kooperativa and Global Partner Zdraví, s.r.o. on cost sharing
- ▶ Contract between Kooperativa and Global Partner Zdraví, s.r.o. on liability insurance for health service providers

Global Repair Centres, s.r.o.

- ▶ Contract between Kooperativa and Global Repair Centres, s.r.o. on cost sharing
- ▶ Contract between Kooperativa and Global Repair Centres, s.r.o. on employee group life assurance
- ▶ Insurance contract between Kooperativa and Global Repair Centres, s.r.o. on insurance of employee liability for damage caused to the employer
- ▶ Contract between Kooperativa and Global Repair Centres, s.r.o. on liability for damage
- ▶ Insurance contract between Kooperativa and Global Repair Centres, s.r.o. on insurance of medical expenses abroad and employee travel insurance paid by the employer under the Global Repair Centres, s.r.o. employee benefits programme
- ▶ Insurance contract between Kooperativa and Global Repair Centres s.r.o. on motor third party liability insurance, and Global Expert, s.r.o. accident insurance
- ▶ Contract between Kooperativa and Global Repair Centres, s.r.o. on lease of motor vehicles

HOTELY SRNÍ, a.s.

- ▶ Insurance contract between Kooperativa and HOTELY SRNÍ, a.s. on insurance of property and liability insurance risks
- ▶ Insurance contract between Kooperativa and HOTELY SRNÍ, a.s. on life assurance
- ▶ Contract between Kooperativa and HOTELY SRNÍ, a.s. on hotel accommodation and other services provision
- ▶ Contract between Kooperativa and HOTELY SRNÍ, a.s. on cooperation in advertising
- ▶ Contract between Kooperativa and HOTELY SRNÍ, a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital

KAPITOL, a.s.

- ▶ Insurance contract between Kooperativa and KAPITOL a.s. on insurance of property and liability insurance risks
- ▶ Insurance contracts between Kooperativa and KAPITOL, a.s. on life assurance
- ▶ Contract between Kooperativa and KAPITOL a.s. on the protection of business interests – rules of relations to the insurance intermediaries
- ▶ Contract between Kooperativa and KAPITOL, a.s. on providing access to information systems
- ▶ Contract between Kooperativa and KAPITOL, a.s. on sub-leases of business premises
- ▶ Contract between Kooperativa and KAPITOL, a.s. on business representation – business activities
- ▶ Contract between Kooperativa and KAPITOL, a.s. on cost sharing
- ▶ Contracts between Kooperativa and KAPITOL, a.s. on cooperation
- ▶ Contract between Kooperativa and KAPITOL, a.s. on borrowing of mPOS payment terminals
- ▶ Contract between Kooperativa and KAPITOL, a.s. on the transfer of insurance portfolio
- ▶ Contracts between Kooperativa and KAPITOL, a.s. on lease and sublease of parking spaces
- ▶ Contract between Kooperativa and KAPITOL, a.s. on IT systems security cooperation
- ▶ Agreement between Kooperativa and KAPITOL, a.s. to issue a certificate for accessing the web service
- ▶ Agreement between Kooperativa, KAPITOL, a.s. and SURPMO a.s. on amendment of rights and obligations
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on the amendment of the business representation contract

- ▶ Agreement between Kooperativa and KAPITOL, a.s. on commissions for supplementary pension insurance with state contribution
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on the provision of extraordinary commission
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on the commissions for private life assurance

KOOPERATIVA poisťovna, a.s. Vienna Insurance Group

- ▶ Co-insurance or reinsurance share of KOOPERATIVA poisťovna, a.s. in the insurance contracts led by Kooperativa.

Main Point Karlín II., a.s.

- ▶ Contract between Kooperativa and Main Point Karlín II., a.s. on cost sharing
- ▶ Contract between Kooperativa and Main Point Karlín II., a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital

Sanatorium Astoria a.s.

- ▶ Insurance contract between Kooperativa and Sanatorium Astoria a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and Sanatorium Astoria a.s. on lease advertising space
- ▶ Loan contract between Kooperativa and Sanatorium Astoria a.s.
- ▶ Contract between Kooperativa and Sanatorium Astoria a.s. on the provision of wellness and spa stays and other services, their realisation and payment

S – budovy, a.s.

- ▶ Insurance contracts between Kooperativa and S – budovy, a.s. on insurance of property and liability insurance risks
- ▶ Contracts between Kooperativa and S – budovy, a.s. on the lease of non-residential premises
- ▶ Agreement between Kooperativa and S – budovy, a.s. on information protection

Slovexperta, s.r.o.

- ▶ Contract between Kooperativa and Slovexperta, s.r.o. on cooperation

Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A.

- ▶ The co-insurance or reinsurance share of Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A. on insurance contracts led by Kooperativa

SURPMO, a.s.

- ▶ Insurance contracts between Kooperativa and SURPMO, a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of the VIG CR Headquarters building
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of housing fund and related non-residential premises
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of Hružův Mlýn Training Center
- ▶ Contract between Kooperativa and SURPMO, a.s. on lease of of Hružův Mlýn Training Center
- ▶ Framework contract between Kooperativa and SURPMO, a.s. on cooperation in activities related to the adjustment of business venues
- ▶ Contract between Kooperativa and KAPITOL, a.s. on the loan for use of works of art
- ▶ Contract between Kooperativa and SURPMO, a.s. on cooperation in IT systems security
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management – reception desk operation
- ▶ Framework contract between Kooperativa and SURPMO, a.s. on engagements
- ▶ Contract between Kooperativa and KAPITOL, a.s. on cooperation
- ▶ Contract between Kooperativa, SURPMO, a.s. on the assignment of a contract on the purchase of software and licence support and related contracts

- ▶ Agreement between Kooperativa and SURPMO, a.s. on information protection
- ▶ Agreements between Kooperativa and SURPMO, a.s. on amendment of rights and obligations
- ▶ Agreement between Kooperativa and SURPMO, a.s. on personal data protection

twinformatics GmbH

- ▶ Service agreement between Kooperativa and twinformatics GmbH to support NewGL

VIG AM Real Estate, a.s.

- ▶ Contract between Kooperativa and VIG AM Real Estate, a.s. on sub-leases of business premises
- ▶ Contract between Kooperativa and VIG AM Real Estate, a.s. on cost sharing

VIG FUND, a.s.

- ▶ Insurance contracts between Kooperativa and VIG FUND, a.s. on insurance of property and liability insurance risks

VIG ND, a.s.

- ▶ Contract between Kooperativa and VIG ND, a.s. on cost sharing
- ▶ Contracts between Kooperativa and VIG ND, a.s. on lease of non-residential premises
- ▶ Contract between Kooperativa and VIG ND, a.s. on property management
- ▶ Contract between Kooperativa and VIG ND, a.s. on the lease of VIG ČR Headquarters

VIG RE zajišťovna, a.s.

- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on the loan for use of works of art
- ▶ Insurance contract between Kooperativa and VIG RE, a.s. – employee insurance
- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on insurance of business risks
- ▶ Insurance contracts between Kooperativa and VIG RE zajišťovna, a.s. on comprehensive motor vehicle insurance “NAMÍRU”
- ▶ Insurance contract between Kooperativa and VIG RE zajišťovna, a.s. on art exhibition insurance
- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on cost sharing
- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on the lease of non-residential premises
- ▶ Agreement between Kooperativa, S-správa nemovitostí a.s., and VIG RE zajišťovna a.s. on amendment of rights and obligations
- ▶ Reinsurance contracts between Kooperativa and VIG RE zajišťovna, a.s.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

- ▶ Co-insurance or reinsurance share of VIG AG in the insurance contracts led by Kooperativa.
- ▶ Insurance contracts between Kooperativa and VIG AG on insurance of property and liability insurance risks and the provision of active reinsurance cover
- ▶ Contracts between Kooperativa and VIG AG on data and personal data protection and processing
- ▶ Wide Area Network Contract between Kooperativa and VIG AG
- ▶ Contract between Kooperativa and VIG AG on the use of insurance SAP modules provided by VIG AG
- ▶ Contract between Kooperativa and VIG AG on data centre services
- ▶ Contracts between Kooperativa and VIG AG on the use of software license
- ▶ Contracts between Kooperativa and VIG AG on licensing and maintenance
- ▶ Contracts between Kooperativa and VIG AG on services and maintenance
- ▶ Agreement between Kooperativa and VIG AG on cost sharing in Solvency II project
- ▶ Agreement between Kooperativa and VIG AG on non-disclosure
- ▶ Contract between Kooperativa and VIG AG regarding transfer of shares to ČPP
- ▶ Loan contract between Kooperativa and VIG AG mutual offset of receivables

V. Institutes and foundations

The following endowed institutions and foundations established by Kooperativa or one of its subsidiaries do not belong among VIG Group companies: Nadace pojišťovny Kooperativa, Platforma VIZE O, z.ú. and Global Partner Péče, z.ú.

Overview of mutual agreements between Kooperativa and those entities:

Nadace pojišťovny Kooperativa

- ▶ Contract between Kooperativa and Nadace pojišťovny Kooperativa on cost sharing
- ▶ Donation contracts between Kooperativa and Nadace pojišťovny Kooperativa

Platforma VIZE O, z.ú.

- ▶ Contract between Kooperativa and Platforma VIZE O, z.ú. on cost sharing

Global Partner Péče, z.ú.

- ▶ Contract between Kooperativa and Global Partner Péče, z.ú. on cost sharing
- ▶ Contract between Kooperativa and Global Partner Péče, z.ú. on lease of business-related premises
- ▶ Contract between Kooperativa and Global Partner Péče, z.ú. on TREND entrepreneurs insurance
- ▶ Contract between Kooperativa and Global Partner Péče, z.ú. on insurance of Global Partner Péče, z.ú. employees liability for damage caused to the employer

VI. Overview of acts performed in the last accounting period at the instigation or in the interest of VIG AG or other VIG Group companies

No legal acts or other measures were performed in the interest or at the initiative of related entities with the exception of payment of dividend to the shareholder.

VII. Confidentiality

Information and facts that form business secrets of the VIG Group Companies as well as information that has been designated as confidential by any VIG Group Company are deemed confidential within the VIG Group. Furthermore, these comprise any business information that may, separately or combined with other information or facts, cause a detriment to any of the VIG Group companies.

With a view to avoid any harm to Kooperativa, this Report does not comprise financial details of any performance or counter-performance under the concluded contracts and agreements.

VIII. Assessment of relations and risks within the VIG Group

The VIG Group is one of the leading insurance and reinsurance operators on the European market. Kooperativa thus has access to know-how, inter alia, in the area of Solvency II, audit, compliance and information technology. The relationship between VIG and Kooperativa is therefore beneficial to both parties. Risks arising from the participation in the VIG Group are considered to be entirely proportionate to the benefits of participation therein.

Kooperativa did not incur any harm based on agreements entered into by and between Kooperativa, on the one hand, and VIG AG and other VIG Group Companies, on the other hand, or on the basis of other steps taken during the last accounting period in the interest or at the instigation of VIG AG or other VIG Group Companies.

IX. Conclusion

This report has been prepared by the Board of Directors of the controlled person, Kooperativa pojišťovna, a.s., Vienna Insurance Group, for the period from 1 January 2022 to 31 December 2022, and will be submitted for review to the Supervisory Board. Given that Kooperativa is required by law to prepare an annual report, this Report will be attached to it as its integral part. The annual report will be submitted for review to the audit firm KPMG Česká republika Audit, s.r.o.

Prague, 24 March 2023



Ing. Martin Diviš, MBA
Chairman of Board of Directors



Mgr. Martin Laur
Member of Board of Directors

Related parties to VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe as of December 2022

Company	Country	The current capital share in %
Consolidated companies		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY	Bulgaria	100,00
"Compensa Vienna Insurance Group", ADB	Lithuania	100,00
"Grüner Baum" Errichtungs- und Verwaltungsgesellschaft .m.b.H.	Austria	100,00
365.life, d. s. s., a. s.	Slovakia	100,00
AB Modřice, a.s.	Czech Republic	100,00
AEGON Magyarország Általános Biztosító Zártkörűen Működő Részvénytársaság	Hungary	100,00
AEGON Magyarország Befektetési Alapkezelő Zártkörűen Működő Részvénytársaság	Hungary	100,00
AEGON Magyarország Pénztárszolgáltató Zártkörűen Működő Részvénytársaság	Hungary	100,00
Anděl Investment Praha s.r.o.	Czech Republic	100,00
Antf-Residenz GmbH & Co KG	Austria	100,00
Asigurarea Românească - ASIROM Vienna Insurance Group S.A.	Romania	99,79
ATBIH GmbH	Austria	100,00
ATRIUM TOWER SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100,00
Atzlergasse 13-15 GmbH	Austria	100,00
Atzlergasse 13-15 GmbH & Co KG	Austria	100,00
AUTODROM SOSNOVÁ u České Lípy a.s.	Czech Republic	100,00
BCR Asigurări de Viață Vienna Insurance Group S.A.	Romania	93,98
Blizzard Real Sp. z o.o.	Poland	100,00
Brockmanngasse 32 Immobilienbesitz GmbH	Austria	100,00
BTA Baltic Insurance Company AAS	Latvia	100,00
Bulgarski Imoti Asistans EOOD	Bulgaria	100,00
Businesspark Brunn Entwicklungs GmbH, Wien	Austria	100,00
CAPITOL, akciová spoločnosť	Slovakia	100,00
CENTER Hotelbetriebs GmbH	Austria	80,00
Central Point Insurance IT-Solutions GmbH in Liquidation	Austria	100,00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group	Czech Republic	100,00
Compania de Asigurări "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni	Moldova	99,99
Compensa Life Vienna Insurance Group SE	Estonia	100,00
Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group	Poland	99,97
Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	99,95
CP Solutions a.s.	Czech Republic	100,00
DBLV Immobesitz GmbH & Co KG	Austria	100,00
DBR-Liegenschaften GmbH & Co KG	Germany	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH	Austria	100,00
DONAU Versicherung AG Vienna Insurance Group	Austria	100,00

Company	Country	The current capital share in %
Consolidated companies		
DVIB alpha GmbH	Austria	100,00
DVIB GmbH	Austria	100,00
DV Immo Holding GmbH	Austria	100,00
ELVP Beteiligungen GmbH	Austria	100,00
EUROPEUM Business Center s.r.o.	Slovakia	100,00
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	100,00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	100,00
GLOBAL ASSISTANCE, a.s.	Czech Republic	100,00
Hansenstraße 3-5 Immobilienbesitz GmbH	Austria	100,00
HUN BM Korlátolt Felelősségű Társaság	Hungary	100,00
Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia Herzegovina	100,00
INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD	Bulgaria	100,00
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	100,00
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	100,00
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	100,00
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89,98
Joint Stock Company Insurance Company GPI Holding	Georgia	90,00
Joint Stock Company International Insurance Company IRAO	Georgia	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group	North Macedonia	100,00
Kaiserstraße 113 GmbH	Austria	100,00
KÁLVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság	Hungary	100,00
KAPITOL, a.s.	Czech Republic	100,00
KKB Real Estate SIA	Latvia	100,00
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group	Slovakia	100,00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	Slovakia	98,47
Kooperativa pojišťovna, a.s., Vienna Insurance Group	Czech Republic	97,28
LVP Holding GmbH	Austria	100,00
MAP-WSV Beteiligungen GmbH	Austria	100,00
MC EINS Investment GmbH	Austria	100,00
MERLOT INVESTMENT SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100,00
MH 54 Immobilienanlage GmbH	Austria	100,00
NNC REAL ESTATE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100,00
Nordbahnhof Projekt EPW8 GmbH & Co KG	Austria	100,00
Nordbahnhof Projekt EPW8 Komplementär GmbH	Austria	100,00
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG	Austria	100,00
Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH	Austria	100,00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	100,00
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99,54
OÜ LiveOn Paevalille	Latvia	100,00
Palais Hansen Immobilienentwicklung GmbH	Austria	56,55
Passat Real Sp. z o.o.	Poland	100,00

Company	Country	The current capital share in %
Consolidated companies		
Pension Assurance Company Doverie AD	Bulgaria	82,59
PFG Holding GmbH	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	92,88
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	100,00
PRIVATE JOINT-STOCK COMPANY "INSURANCE COMPANY "KNIASHA LIFE VIENNA INSURANCE GROUP"	Ukraine	99,81
Private Joint-Stock Company " Insurance Company "USG "	Ukraine	100,00
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIASHA VIENNA INSURANCE GROUP"	Ukraine	100,00
PROGRESS Beteiligungs-ges.m.b.H.	Austria	70,00
Projektbau GesmbH	Austria	100,00
Projektbau Holding GmbH	Austria	100,00
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	100,00
Ray Sigorta A.Ş.	Turkey	94,96
Rößlergasse Bauteil Drei GmbH	Austria	100,00
Rößlergasse Bauteil Zwei GmbH	Austria	100,00
S - budovy, a.s.	Czech Republic	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	100,00
SECURIA majetkovosprávna a podielová s.r.o.	Slovakia	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	66,70
SIA "Alauksta 13/15"	Latvia	100,00
SIA "Artillerijas 35"	Latvia	100,00
SIA "Ģertrūdes 121"	Latvia	100,00
SIA "Global Assistance Baltic"	Latvia	100,00
SIA "LiveOn"	Latvia	70,00
SIA "LiveOn Stirnu"	Latvia	100,00
SIA LiveOn Terbatas	Latvia	100,00
SIA "Urban Space"	Latvia	100,00
Sigma Interbanian Vienna Insurance Group Sha	Albania	89,05
SK BM s.r.o.	Slovakia	100,00
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	100,00
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group	North Macedonia	94,36
SVZ GmbH	Austria	100,00
SVZD GmbH	Austria	100,00
SVZI GmbH	Austria	100,00
T 125 GmbH	Austria	100,00
TECHBASE Science Park Vienna GmbH	Austria	100,00
twinformatics GmbH	Austria	100,00
UAB LiveOn Linkmenu	Lithuania	100,00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	98,64
Untere Donaulände 40 GmbH & Co KG	Austria	100,00
Vienibas Gatve Investments OÜ	Estonia	100,00

Company	Country	The current capital share in %
Consolidated companies		
Vienibas Gatve Properties SIA	Latvia	100,00
Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group	Poland	100,00
VIENNALIFE EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ	Turkey	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	100,00
VIG-AT Beteiligungen GmbH	Austria	100,00
VIG-CZ Real Estate GmbH	Austria	100,00
V.I.G. ND, a.s.	Czech Republic	100,00
Vienna Insurance Group Polska Spółka z ograniczoną odpowiedzialnością	Poland	100,00
VIG FUND, a.s.	Czech Republic	100,00
VIG Home, s.r.o.	Slovakia	100,00
VIG Hungary Holding B.V.	Netherlands	55,00
VIG Hungary Holding II B.V.	Netherlands	55,00
VIG Magyarország Befektetési Zártkörűen Működő Részvénytársaság	Hungary	55,00
VIG Offices, s.r.o.	Slovakia	100,00
VIG Properties Bulgaria AD	Bulgaria	99,97
VIG RE zajišťovna, a.s.	Czech Republic	100,00
VIG REAL ESTATE DOO	Serbia	100,00
VIG Services Ukraine, LLC	Ukraine	100,00
VIG Türkiye Holding B.V.	Netherlands	100,00
VIVECA Beteiligungen GmbH	Austria	100,00
WGPV Holding GmbH	Austria	100,00
WIBG Holding GmbH & Co KG	Austria	100,00
WIBG Projektentwicklungs GmbH & Co KG	Austria	100,00
Wiener Osiguranje Vienna Insurance Group ad	Bosnia Herzegovina	100,00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje	Croatia	97,82
WIENER RE akcionarsko društvo za reosiguranje	Serbia	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje	Serbia	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	97,75
WIENER TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	100,00
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	100,00
WILA GmbH	Austria	100,00
WINO GmbH	Austria	100,00
WNH Liegenschaftsbesitz GmbH	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	100,00
WSV Beta Immo Holding GmbH	Austria	100,00
WSVA Liegenschaftbesitz GmbH	Austria	100,00
WSVB Liegenschaftbesitz GmbH	Austria	100,00
WSVC Liegenschaftbesitz GmbH	Austria	100,00
WSV Immo Holding GmbH	Austria	100,00
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	100,00
WSV Vermögensverwaltung GmbH	Austria	100,00
WWG Beteiligungen GmbH	Austria	87,07

Company	Country	The current capital share in %
Companies consolidated using the equity method		
"Schwarzatal" Gemeinnützige Wohnungs- und Siedlungsanlagen-GmbH	Austria	100,00
Alpenländische Gemeinnützige WohnbauGmbH	Austria	94,84
Beteiligungs- und Immobilien GmbH	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH	Austria	25,00
CROWN-WSF spol. s.r.o.	Czech Republic	30,00
EGW Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	99,77
ERSTE d.o.o. - za upravljanje obveznim i dobrovoljnim mirovinskim fondovima	Croatia	25,30
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	Austria	99,92
Gewista-WerbeGesellschaft m.b.H.	Austria	33,00
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.	Austria	61,00
Österreichisches Verkehrsbüro Aktiengesellschaft (Consolidated Financial Statements)	Austria	36,58
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft	Austria	54,17
Towarzystwo Ubezpieczeń Wzajemnych „TUW”	Poland	52,16
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.	Austria	51,46
VBV - Betriebliche Altersvorsorge AG (Consolidated Financial Statements)	Austria	25,32
Unconsolidated companies		
" Assistance Company " Ukrainian Assistance Service" LLC	Ukraine	100,00
"Eisenhof" Gemeinnützige Wohnungsgesellschaft m.b.H.	Austria	20,13
"JAHORINA AUTO" d.o.o.	Bosnia Herzegovina	100,00
"LIFETRUST" Ltd	Bulgaria	100,00
"Neue Heimat" Stadterneuerungsgesellschaft m.b.H.	Austria	83,42
AEGON Magyarország Közvetítő és Marketing Zártkörűen működő Részvénytársaság	Hungary	55,00
AIS Servis, s.r.o.	Czech Republic	98,10
Akcionarsko društvo za životno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro	100,00
ALBA Services GmbH	Austria	48,87
Amadi GmbH	Germany	100,00
AQUILA Hausmanagement GmbH	Austria	97,75
AREALIS Liegenschaftsmanagement GmbH	Austria	48,87
arithmetica Consulting GmbH	Austria	98,31
AUTONOVA BRNO s.r.o.	Czech Republic	98,10
Autosig SRL	Romania	99,54
B&A Insurance Consulting s.r.o.	Czech Republic	48,45
BB Parking s.r.o.	Slovakia	98,47
BEESAFE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	99,99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,95
Bohemika a.s.	Czech Republic	100,00
Bohemika HYPO s.r.o.	Czech Republic	100,00
BSA + OFK Germany Real Estate Immobilien 4 GmbH	Germany	97,75
Bulstrad Trudova Meditzina EOOD	Bulgaria	100,00

Company	Country	The current capital share in %
Unconsolidated companies		
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	92,86
CARPLUS Versicherungsvermittlungsagentur GmbH	Austria	97,75
Chrášťany komerční areál a.s.	Czech Republic	97,28
CLAIM EXPERT SERVICES S.R.L.	Romania	99,16
Compensa Dystrybucja Sp. z o. o.	Poland	99,97
ČPP Servis, s.r.o.	Czech Republic	100,00
DBLV Immobesitz GmbH	Austria	100,00
DBR-Liegenschaften Verwaltungs GmbH	Germany	97,75
DELOIS s. r. o.	Slovakia	98,47
DELOIS II s.r.o.	Slovakia	98,47
Domáci péče Haná s.r.o.	Czech Republic	63,23
DV Asset Management EAD	Bulgaria	100,00
DV CONSULTING EOOD	Bulgaria	100,00
DV Invest EAD	Bulgaria	100,00
EBV-Leasing Gesellschaft m.b.H.	Austria	47,90
EGW Datenverarbeitungs-Gesellschaft m.b.H.	Austria	71,92
EGW Liegenschaftsverwertungs GmbH	Austria	71,92
EGW-NOE Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	71,92
EKG UW Nord GmbH	Austria	24,46
Első Maganegeszsegügyi Halozat Zrt.	Hungary	26,58
ERSTE Biztosítási Alkusz Kft	Hungary	54,25
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	100,00
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	99,44
Finanzpartner GmbH	Austria	48,87
FinServis Plus, s.r.o.	Czech Republic	100,00
Foreign limited liability company "InterInvestUchastie"	Belarus	100,00
GELUP GmbH	Austria	32,58
GGVter Projekt-GmbH	Austria	53,76
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG	Austria	42,76
GLOBAL ASSISTANCE D.O.O. BEOGRAD	Serbia	100,00
Global Assistance Georgia LLC	Georgia	95,00
Global Assistance Polska Sp.z.o.o.	Poland	99,99
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE SERVICES SRL	Romania	99,23
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slovakia	99,22
Global Expert, s.r.o.	Czech Republic	98,10
Global Partner Péče, z.ú.	Czech Republic	63,23
Global Partner Zdraví, s.r.o.	Czech Republic	63,23
Global Partner, a.s.	Czech Republic	63,23
Global Repair Centres, s.r.o.	Czech Republic	98,10
Global Services Bulgaria JSC	Bulgaria	100,00
Hausservice Objektbewirtschaftungs GmbH	Austria	20,72

Company	Country	The current capital share in %
Unconsolidated companies		
Help24 Assistance Korlátolt Felelősségű Társaság	Hungary	55,00
HOTELY SRNÍ, a.s.	Czech Republic	97,28
Hotel Voltino in Liquidation	Croatia	97,82
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98,29
Immodat GmbH	Austria	20,72
IMOVE Immobilienverwertung- und -verwaltungs GmbH	Austria	20,72
INSHIFT GmbH & Co. KG	Germany	23,53
insureX IT GmbH	Austria	98,87
InterRisk Informatik GmbH	Germany	100,00
ITIS Spolka z ograniczoną odpowiedzialnością spolka komandytowa	Poland	99,99
ITIS Sp.z.o.o.	Poland	99,99
Joint Stock Company "Curatio"	Georgia	90,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group	North Macedonia	100,00
Kitzbüheler Bestattung WV GmbH	Austria	97,75
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	48,87
LD Vermögensverwaltung GmbH	Austria	98,65
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	21,59
LiSciV Muthgasse GmbH & Co KG	Austria	42,76
Main Point Karlín II., a.s.	Czech Republic	97,28
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	54,25
Nadacta poisťovne KOOPERATIVA	Slovakia	98,47
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	73,69
POLISA - ŻYCIE Ubezpieczenia Sp.z.o.o.	Poland	99,97
Privat Joint-stock company "OWN SERVICE"	Ukraine	100,00
Projektbau Planung Projektmanagement Bauleitung GesmbH	Austria	54,51
Renaissance Hotel Realbesitz GmbH	Austria	40,00
Risk Consult Bulgaria EOOD	Bulgaria	51,00
Risk Consult Polska Sp.z.o.o.	Poland	68,15
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	51,00
Risk Expert Risk ve Hasar Danismanlık Hizmetleri Limited Sirketi	Turkey	64,19
Risk Experts Risiko Engineering GmbH	Austria	12,24
Risk Experts s.r.o.	Slovakia	51,00
Risk Logics Risikoberatung GmbH	Austria	51,00
samavu s.r.o	Slovakia	98,47
Sanatorium Astoria, a.s.	Czech Republic	97,28
SB Liegenschaftsverwertungs GmbH	Austria	40,26
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	51,00
S.C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	99,16
serviceline contact center dienstleistungs-GmbH	Austria	97,75
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	100,00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	97,75

Company	Country	The current capital share in %
Unconsolidated companies		
Slovpexperta, s.r.o.	Slovakia	98,70
Soleta Beteiligungsverwaltungs GmbH	Austria	42,76
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	97,75
Spółdzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99,97
SURPMO, a.s.	Czech Republic	97,28
TAUROS Capital Investment GmbH & Co KG	Austria	19,55
TAUROS Capital Management GmbH	Austria	25,30
TeleDoc Holding GmbH	Austria	25,01
TGMZ Team Gesund Medizin Zentren GmbH	Austria	39,10
TOGETHER CCA GmbH	Austria	24,71
UAB "Compensa Life Distribution"	Lithuania	100,00
UNION-Erted Ellatasszervező Korlátolt Felelősségű Társaság	Hungary	54,25
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	47,90
Vienna International Underwriters GmbH	Austria	100,00
viesure innovation center GmbH	Austria	98,87
VIG AM Real Estate, a.s.	Czech Republic	100,00
VIG AM Services GmbH	Austria	100,00
VIG IT - Digital Solutions GmbH	Austria	100,00
VIG Management Service SRL	Romania	99,16
VIG POLSKA REAL ESTATE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	99,97
VIG Services Bulgaria EOOD	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K.	Albania	89,52
VIG ZP, s. r. o.	Slovakia	99,22
VIG/C-QUADRAT TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH SPÓŁKA AKCYJNA	Poland	50,99
VÖB Direkt Versicherungsagentur GmbH	Austria	48,87
Wien 3420 Aspern Development AG	Austria	23,92
Wiener Städtische Donau Leasing GmbH	Austria	97,75
Wiener Verein Bestattungsbetriebe GmbH	Austria	97,75
WOFIN Wohnungsfinanzierungs GmbH	Austria	20,72
Wohnquartier 11b Immobilienbesitz GmbH	Austria	100,00
Wohnquartier 12b Immobilienbesitz GmbH	Austria	97,75
WSBV Beteiligungsverwaltung GmbH	Austria	97,75
zuuri s.r.o.	Slovakia	98,47

Non-Financial Part

1. Company development

Kooperativa focuses on providing profitable products and quality services with high added value for the client. It wants to become a product and thought leader in the market, to prepare a comprehensive system of products and services that will include the process from prevention through assistance, loss settlement to follow-up assistance. Innovation is based on knowledge of client needs and behaviour. Product development also includes monitoring changes in society towards digitisation, including online sales. It has also incorporated these principles into products that are suitable for both traditional and digital distribution and therefore easily accessible to the client.

2. Research and development activities

We research client needs and develop products and tools to ideally tailor products to the client's needs. The pursuit of a well-insured client is linked to minimizing the social impact of individual and local disasters. For example, we have developed a client care tool to ensure that as few clients as possible are underinsured. Thanks to technology, we have deepened the possibilities of full remote counselling and are investing in new online solutions that eliminate not only paperwork, but especially the necessary input and ongoing processes. In order to achieve this increased digitisation, we are developing a new client zone and online insurance environment where clients will gain greater visibility and access to their policies, for example by logging in or simply managing their insurance policy using their bank identity.

3. Environmental protection and the development of social-employee relations

By the nature of its business, Kooperativa imposes a minimal burden on the environment. Thanks to digitisation, the development of electronic communication with clients, digital signatures and electronic payments, Kooperativa is moving towards paperless contract negotiation and thus reducing the environmental burden. It supports electromobility and alternative drives, which it also uses in its corporate fleet. We systematically monitor our carbon footprint and implement solutions to reduce it.

Kooperativa wants to be an employer of choice. It supports employee diversity and therefore fulfils the principles of the European Diversity Charter, to which it is a signatory. It respects equal opportunities and the individual needs of employees regardless of age, gender, health or family situation. It promotes alternative forms of work and in the long term it continues to work in a hybrid Home Office mode. In order to improve the balance between work and leisure time of its employees, Kooperativa has extended the number of so-called Free Days from three to five, and has created a new Care Day, which employees can use for both caring for their loved ones and for their own activities. The company has not abandoned the model of supporting employees in charitable activities and offers one free day for everyone, without distinction, to work in contracted charity associations. Kooperativa supports diversity across the company, from management club meetings, coaching, leadership development programmes and training in online courses or face-to-face courses.

In the area of social responsibility, it focuses on the group of mothers and fathers on maternity, paternity and parental leave. Part-time work and a combination of parents working from home and the office are popular. Kooperativa also looks after the social life of a group of employees who have already retired. It also puts its trust in the youngest age group and has resumed recruitment for the Trainee programme for university graduates. In addition, Kooperativa also supports other activities focused on both health and leisure within the benefit portal.

4. Organizational units of the company abroad

Kooperativa does not have any organisational units abroad.

5. Information on the acquisition of own shares or treasury shares

Kooperativa did not acquire its own shares or treasury shares.

6. Other requirements according to specific legal regulations

Kooperativa complies with the conditions for the performance of insurance activities resulting from the legal regulation applicable to the insurance sector, in particular the Insurance Act and the Act on Insurance and Reinsurance Distribution. At the same time, it complies with all other legal requirements that apply to its activities, e.g. in the area of personal data protection or prevention of money laundering.

